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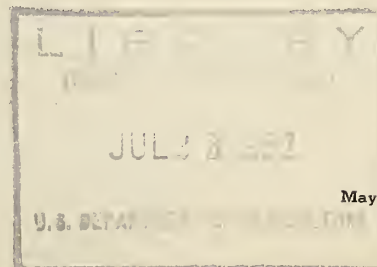
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U.S. FARM CREDIT ADMINISTRATION.
UNITED STATES DEPARTMENT OF AGRICULTURE
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HANDBOOK ON
MAJOR REGIONAL FARM SUPPLY
PURCHASING COOPERATIVES
1950 AND 1951 //

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The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.



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LOCATION OF 21 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



1. Cooperative Grange League Federation Exchange, Inc.
2. Southern States Cooperative, Inc.
3. Eastern States Farmers' Exchange, Inc.
4. Consumers Cooperative Association
5. Illinois Farm Supply Company
6. Indiana Farm Bureau Cooperative Association, Inc.
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15. Fruit Growers Supply Company
16. Farm Bureau Services, Inc.
17. Central Cooperative Wholesale
18. Arkansas Farmers Association
19. Consumers Cooperative Association
20. Tennessee Farmers Cooperative
21. Farmers Union State Exchange

NOTE: Associations are numbered according to volume of retail and wholesale purchasing business for 1951.

HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1950 AND 1951

By

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Part I of this handbook presents comparable information for each of the 21 major regional farm supply cooperatives in the United States for their fiscal years ending in 1950 and 1951. These associations are listed in the order of the amount of wholesale and retail supply business done in 1951. A summary of this information showing the character and importance of these associations as a group is given in Part II.

Twenty of the associations described perform a wholesale service for retail cooperative outlets of various types. Eleven associations engaged in a wholesale business only, five did both a wholesale and a retail business, and one distributed all supplies on a retail basis to individual purchasers. Nine associations also marketed farm products cooperatively. The association reports show the main points of similarity and of difference between these organizations.

It is not feasible to provide information for a considerable number of the smaller regional farm supply purchasing cooperatives. There also are many regional marketing cooperatives that perform an extensive purchasing service. Information as to the value of supplies distributed to farmers through five of these associations that had a combined supply volume of \$65 million in 1951 is shown in the appendix.

PART I

ASSOCIATION REPORTS FOR 21 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1950 AND 1951

Information for each of the 21 associations included in this report is shown in this section. The principal items considered include: Date of organization, area of service, types of local outlets, types of supplies

NOTE: Appreciation is expressed to officials of the associations who provided the information used in preparing this handbook and to J. W. Mather and Lacey F. Rickey, Cooperative Research and Service Division, for valuable assistance.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized on June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania--roughly the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. is a centralized cooperative. Its board of directors is responsible directly to farmer-members. Membership is determined by ownership of common stock and bona fide farm operation. Any farmer-patron who owns at least one \$5 share of G.L.F. Exchange common stock qualifies as a member.

Since it performs manufacturing, processing, wholesaling, transportation, and retailing services, G.L.F. is an integrated organization. At the end of the fiscal year, June 30, 1951, G.L.F. was providing these services to about 165,000 regular farmer-patrons. Farmer-patrons qualifying as members numbered about 115,000.

On June 30, 1951, the G.L.F. was serving its patrons through the following types of retail organizations:

<u>Type of retail outlet</u>	<u>Number</u>
G.L.F. retail service stores (including 2 full branches)-----	230
G.L.F. zero food branches ¹ -----	4
G.L.F. farm store branches-----	42
G.L.F. petroleum bulk plants ² -----	75
G.L.F. agent buyers-----	313
Independent local cooperatives-----	39
Supplementary agents-----	21
Farmer agents-----	9
 Total-----	 733

The retail service stores are cooperative corporations managed by G.L.F. They distribute farm supplies and in some cases market farm products for patrons. All of their common stock is held by the Exchange in trust for the local patrons. Their preferred stock is owned by local farmers. Annual meetings are held at which member committees are elected. The member committee has many of the powers of a local board of directors, but its acts are subject to the approval of the Exchange as the holder of the common stock. These stores are financed centrally and are supervised through management contracts that may be canceled at any time by

¹Pilot operation, now being discontinued.

²Includes 4 branches, 5 liquefied petroleum gas depots, and 1 retail filling station.

the service stores. G.L.F. petroleum bulk plants are organized in a similar way except that they are located so as to perform a specialized petroleum service for patrons over wider areas. Between 60 to 65 percent of G.L.F.'s wholesale volume is distributed through these service stores and petroleum cooperatives.

Agent-buyers are private business operators who have been granted franchises to handle G.L.F. farm supplies in accordance with association policies. The independent local cooperatives are locally controlled farmers' cooperatives handling G.L.F. farm supplies on the same basis as agent-buyers. In many cases they primarily are local marketing associations with purchasing as an additional service. Supplementary agents are merchants or others who handle certain G.L.F. products such as fertilizer or seed, but not the complete line. Approximately 35 to 40 percent of G.L.F.'s wholesale volume is distributed through agent-buyers, independent local cooperatives, and supplementary agents.

These various types of retail outlets obtain supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses that G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The value of supplies distributed by G.L.F. to retail outlets for the fiscal years ending June 30, 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed, grain, flour, and cereals-----	\$85,404,102	\$92,793,281
Fertilizer and lime (including shells, bedding, etc.)-----	11,710,270	13,028,544
Petroleum products-----	11,035,051	11,945,319
Tires, tubes, and auto supplies-----	1,263,002	2,372,187
Seed and seed potatoes ³ -----	5,634,923	5,675,810
Hardware (tools)-----	316,750	544,273
Refrigeration equipment-----	974,414	1,955,589
Farm equipment and parts-----	2,093,019	2,729,385
Steel and other metal products ⁴ -----	2,490,423	3,800,392
Building material, paint, roofing, cement, etc.-----	1,696,390	2,332,643
Insecticides and sprays and farm chemicals	2,034,088	2,860,958
Package materials-----	690,340	1,231,736
Rope and twine-----	716,845	1,686,396
Farm and home appliances-----	181,069	288,492
Miscellaneous ⁵ -----	597,411	627,434
Total-----	\$126,838,097	\$143,872,439
Less interdivision business-----	134,499	163,614
Total-----	\$126,703,598	\$143,708,825

³Does not include Fort Wayne shipments to non-G.L.F. outlets.

⁴Includes wire and nails, metal roofing, pipe and fittings, and related items.

⁵Includes rubber and canvas, agency supplies, ladders, mowers, and other commodities.

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1950 and 1951, was as follows:

<u>Source of supplies or services</u>	<u>1950</u>	<u>1951</u>
G.L.F. retail service stores, farm store branches, and frozen food lockers-----	\$89,275,504	\$101,282,792
G.L.F. petroleum bulk plants-----	15,096,231	16,600,590
Total-----	\$104,371,735	\$117,883,382

During World War II, G.L.F. greatly expanded its cooperative marketing services. The principal products marketed are eggs, grain, and beans. Marketing is mainly through retail service stores, with some separate facilities maintained for eggs and beans. Two local marketing cooperatives are subsidiaries of G.L.F. The following types of marketing facilities were maintained by G.L.F. on June 30, 1951:

<u>Type of marketing facility</u>	<u>Number</u>
Grain elevator-----	1
Bean plant-----	3
Flour and cereal plant ⁶ -----	2
Terminal egg sales agency-----	5
Country egg station-----	13
Terminal sales agency for beans, wheat, and other grains-----	1
Cold storage plant-----	1
Transportation service unit-----	1

The value of farm products marketed by G.L.F.⁷ for the years ending June 30, 1950 and 1951, follows:

<u>Commodity</u>	<u>⁸ 1950</u>	<u>1951</u>
Eggs-----	\$8,347,306	\$9,467,709
Fruits and vegetables (including canned goods)-----	675,730	262,638
Grain-----	3,780,866	6,552,745
Beans-----	1,585,283	2,193,999
Hay and straw-----	492,252	434,643
Miscellaneous and unclassified ⁹ -----	92,316	102,422
Total-----	\$14,973,753	\$19,014,156

⁶Now considered as a purchasing operation.

⁷Includes marketing by service stores.

⁸Revised.

⁹Includes poultry and seed.

In addition, in 1950 these marketing units purchased egg cases, seed beans, seed and plants, containers, fertilizer and sprays, and performed storage and other services valued at \$926,874. In 1951 the value of these items was \$987,372.

Net savings, before income taxes, of G.L.F. for the years ending June 30, 1950 and 1951 were derived as follows:

<u>Source of net savings and reserve for income tax</u>	<u>1950</u>	<u>1951</u>
Manufacturing and wholesale purchasing and marketing-----	\$4,037,649	\$5,120,589
G.L.F. retail service stores-----	2,286,835	3,528,667
G.L.F. retail petroleum distribution operations-----	100,019	340,415
Other operations (local marketing co-ops., etc.)	22,973	25,836
Less intercompany dividends-----	-810	-
Total-----	\$6,446,666	\$9,015,507

Savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$1,155,563	\$1,309,696
Patronage refunds in cash-----	2,190,004	2,635,328
Additions to reserves-----	1,979,516	3,312,291
Total-----	\$5,325,083	\$7,257,315

In addition to net savings the amount reserved for Federal income taxes in 1950 was \$1,121,583 and in 1951, \$1,758,192.

All patronage refunds paid in certificates in prior years have been retired and the association has no revolving plan of financing currently in use.

The financial condition of the Cooperative G.L.F. Exchange, Inc., including its wholesale divisions, financing and credit subsidiaries, retail service stores and petroleum co-ops, and marketing associations as of June 30, 1950 and 1951, is shown in the following condensed consolidated balance sheet:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$31,044,822	\$42,562,510
Fixed assets (net)-----	18,749,677	21,077,171
Other assets (investments, etc.)-----	9,353,020	10,334,736
Total-----	\$59,147,519	\$73,974,417
Liabilities and patrons' equity:		
Current liabilities-----	\$9,651,393	\$19,971,269
Other liabilities-----	6,527,305	5,430,169
Capital stock and patrons' equity-----	42,968,821	48,572,979
Total-----	\$59,147,519	\$73,974,417

The following tabulation shows the number and value of facilities owned and operated by G.L.F. and its affiliated service stores, and petroleum and marketing cooperatives on June 30, 1951:

<u>Type of facility</u>	<u>Number of plants or units ¹⁰</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill-----	3	\$7,515,505	\$5,648,132
Fertilizer and insecticide plant--	12	2,532,852	1,963,886
Seed cleaning plant-----	7	873,552	538,702
Wholesale farm supply warehouse---	8	589,019	511,263
Petroleum bulk storage terminal---	6	1,083,338	1,008,561
Retail farm supply store-----	272	9,623,819	6,464,038
Bulk petroleum plant-----	75	1,749,987	915,624
Marketing warehouse, storage, and processing plant-----	24	812,931	663,379
Office building-----	1 (group)	648,677	442,907
Freezer-locker plant-----	5	341,111	184,053
Flour and cereal mill, local feed mill, and elevator-----	3	304,969	236,895
Miscellaneous-----	5	136,519	97,393
Total-----		\$26,212,279	\$18,674,833

In addition to these facilities, G.L.F. had \$5,822,166 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1951, G.L.F. had 4,108 employees. Of these, 224 were engaged in general administrative activities; 1,295 in manufacturing, warehousing, and processing operations; 2,386 in retail distribution; and 203 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the three operating groups include administrative, accounting, and clerical employees.

SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It was reorganized in 1933 under its present name. At the end of its operating year on June 30, 1951, it was furnishing supplies through local cooperatives, service agencies, and farmer agents to approximately 252,775 members in Virginia, West Virginia, Kentucky, Maryland, Delaware and Tennessee. Substantially all its patrons were farmers and 80 percent were members. A farmer-

¹⁰Including leased facilities with owned equipment.

patron becomes a member by acquiring ownership of one or more shares of \$1 par value voting stock issued in payment of patronage refunds.

On June 30, 1951, the Southern States Cooperative was serving its patrons through the following types of retail outlets:

<u>Type of retail outlet</u>	<u>Number</u>
Local affiliated cooperatives:	
Farm supply stores with management contracts-----	119
Farm supply stores without management contracts-----	62
Petroleum service plants with management contracts-----	25
Locker plants with management contracts-----	10
Service agencies (privately owned)-----	522
Farmer agents (fertilizer only)-----	<u>17</u>
Total-----	755

Local affiliated cooperatives with management contracts are separately incorporated associations whose boards of directors have employed Southern States, through the medium of a management contract, to perform certain management, accounting, auditing, and financial services on a fee basis. Approximately 42 percent of Southern States' wholesale volume is distributed through these cooperatives. Those without management contracts are independent cooperative associations which use the association as a wholesale source of supply.

Service agencies are private retail farm supply dealers who have been awarded the Southern States franchise by the local membership. Under the terms of this franchise, dealers handle the supplies under agreed-upon conditions. The farmer-agents are individual farmers who pool fertilizer orders and handle distribution to neighbors in communities where such service is not otherwise available. Approximately 58 percent of the association's wholesale volume is distributed through these agencies and through the 62 farm supply stores without management contracts.

Feed and fertilizer manufacturing operations of Southern States Cooperative are conducted by several subsidiary cooperatives. These subsidiary manufacturing cooperatives are owned by a number of wholesale farm purchasing cooperatives that use them as a source of a portion or all of their feed and fertilizer requirements. In addition to Southern States Cooperative, these cooperatives are the Farmers Cooperative Exchange, Raleigh, N. C.; Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pa.; Farm Bureau Cooperative Association, Columbus, Ohio; and Cotton Producers Association, Atlanta, Ga. Ownership is in proportion to use or patronage and is annually adjusted to maintain ownership on that basis. Each of the participating cooperatives pays its exact share of operating expenses and therefore obtains manufacturing service at cost.

The value of supplies distributed at wholesale, together with the value of supplies manufactured for the account of affiliated regional cooperatives; for the fiscal years ending June 30, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>¹¹1950</u>	<u>1951</u>
Feed-----	\$44,413,589	\$52,402,598
Fertilizer-----	8,103,463	9,171,930
Seed-----	5,268,626	5,849,059
Petroleum products and equipment-----	4,293,908	5,425,651
Auto accessories-----	661,707	1,054,506
Farm equipment and tools-----	1,519,593	2,250,434
Hardware and steel products-----	2,828,052	3,995,390
Paint and asphalt-----	701,876	746,695
Insecticides, sprays, and chemicals-----	1,050,965	1,264,857
Electrical equipment and appliances-----	1,205,554	1,599,201
Miscellaneous-----	<u>79,863</u>	<u>45,536</u>
Total-----	\$70,127,196	\$83,805,857

Supplies manufactured for the account of other regional cooperatives totaled \$14,068,149 in 1950 and \$16,425,451 in 1951.

The value of supplies distributed at retail outlets managed by Southern States Cooperative amounted to \$32,466,388 in 1950 and \$38,052,082 in 1951.

In recent years Southern States Cooperative has established marketing services for several farm products produced by members. On June 30, 1951, the association operated four terminal egg sales agencies, and a terminal grain marketing service.

The value of farm products marketed through Southern States Cooperative follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Eggs-----	\$1,787,376	\$2,315,086
Grain-----	<u>3,130,866</u>	<u>4,013,619</u>
Total-----	\$4,918,242	\$6,328,705

¹¹Revised.

Total net savings of Southern States Cooperative for years ending June 30, 1950 and 1951, were derived as follows:

<u>Source of net savings</u>	<u>1950</u>	<u>1951</u>
Manufacturing and wholesale purchasing-----	\$2,675,395	\$4,087,817
Retail farm supply stores-----	672,073	1,130,983
Retail petroleum distribution operations-----	65,589	120,879
Marketing operations-----	-102,763	48,470
Other operations-----	251,275	495,049
Less: Intercompany dividends-----	548,381	551,603
Total-----	\$3,013,188	\$5,331,595

These net savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$759,485	\$839,918
Patronage refunds in cash-----	682,280	1,030,607
Patronage refunds paid in capital stock-----	484,981	1,354,385
Reserves, adjustments, etc.-----	1,086,442	2,106,685
Total-----	\$3,013,188	\$5,331,595

For the year ending June 30, 1950, the association retired voting stock amounting to \$30,580, issued originally in the payment of patronage refunds. For the year ending June 30, 1951, the redemptions totaled \$28,976. For many years the policy has been to call and retire at par value the voting stock issued 10 years previous.

The financial condition of Southern States Cooperative, Inc., its wholly owned subsidiaries and partly owned manufacturing subsidiaries, and its affiliated local retail cooperatives, on June 30, 1950 and 1951, is shown in the following consolidated financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$15,653,101	\$19,433,904
Fixed assets (net)-----	11,039,084	12,109,825
Other assets-----	5,485,615	6,442,116
Total-----	\$32,177,800	\$37,985,845
Liabilities and net worth:		
Current liabilities-----	\$2,624,422	\$4,207,174
Deferred liabilities-----	8,062,248	7,108,673
Net worth (capital and reserves)-----	21,491,130	26,669,998
Total-----	\$32,177,800	\$37,985,845

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative, Inc., its subsidiaries and affiliated local cooperatives on June 30, 1951:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Headquarters building-----	1	\$2,145,712	\$1,945,773
Poultry and egg marketing outlet----	4	196,625	148,659
Frozen-food locker plant-----	10	547,579	435,365
Feed mill-----	5	3,548,329	2,679,928
Fertilizer plant-----	4	1,426,484	1,110,502
Seed cleaning plants and wholesale farm supply warehouse-----	10	2,492,034	1,974,422
Southern States Cooperative retail service store-----	119	2,364,033	1,903,617
Bulk petroleum plant-----	25	931,399	718,865
Oil delivery truck-----	88	413,635	226,910
Transport truck-----	23	116,610	77,002
General delivery truck-----	223	473,078	227,121
Research and analysis laboratory----	1	13,541	3,100
Grain marketing facility-----	1	172,086	145,146
Other facilities-----	-	721,521	513,415
Total-----		\$15,562,666	\$12,109,825

In addition to these facilities, Southern States Cooperative had \$268,700 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1951, Southern States Cooperative had 1,959 employees. Of these 658 were engaged in general administrative activities; 668 in manufacturing, warehousing, and processing operations; 614 in retail distribution; and 19 in marketing farm products.

EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Inc., with headquarters in West Springfield, Mass., was organized on January 28, 1918. In 1951 it was serving 142,627 patrons in the six New England States, Pennsylvania (except for the northern tier counties), Delaware, and Maryland.

Membership in Eastern States is determined by patronage. The association has no capital stock or membership fees. Every farmer who purchases through the association becomes a member and remains a member for the calendar year following the date of his last purchase. Only 2.8 percent of the 1950 volume of business was with nonmember patrons.

Patrons are served through 443 farmer-representatives, 18 independent cooperative associations that also serve as representatives, and 76

regional branch warehouses strategically located to supplement local car-door distribution.

Eastern States is an integrated farmers' non-profit cooperative production supply procurement agency which processes a large proportion of the items it handles. The value of supplies distributed to patrons for the fiscal years ending December 31, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed and grain-----	\$68,645,902	\$81,370,044
Field seeds-----	2,622,839	2,722,482
Seed potatoes-----	948,040	582,744
Vegetable seeds-----	293,662	324,477
Fertilizer and lime-----	4,636,830	5,510,458
Spray materials-----	981,696	1,232,817
Miscellaneous (roofing, paints, lubricants, and similar products)-----	1,832,858	3,254,342
Total-----	\$79,961,827	\$94,997,364

Net savings of patrons on purchases made through Eastern States after withholding and allocating to patrons retains for operating capital were \$2,149,165 in 1950 and \$2,812,794 in 1951. These savings were distributed as follows:

	<u>1950</u>	<u>1951</u>
Patronage refunds in cash-----	\$1,719,332	\$2,390,875
Amount allocated to patrons and retained-----	429,833	421,919
Total-----	\$2,149,165	\$2,812,794

The financial statements for Eastern States Farmers' Exchange, December 31, 1950 and 1951, were as follows:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$13,423,802	\$16,210,128
Fixed assets (net)-----	16,285,820	20,040,477
Other assets-----	729,738	1,201,371
Total-----	\$30,439,360	\$37,451,976
Liabilities and net worth:		
Current liabilities and reserves-----	\$5,056,202	\$4,134,049
Fixed indebtedness-----	7,000,000	12,000,000
Net worth (patrons' equity)-----	18,383,158	21,317,927
Total-----	\$30,439,360	\$37,451,976

All net worth, or patrons' equity, in this non-stock farmers' cooperative has been accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has made of the services provided.

On December 31, 1951, Eastern States had 1,557 employees. Of these 452 were engaged in general administrative activities; 845 in manufacturing and processing operations; and 260 in distributing through its warehouses.

CONSUMERS COOPERATIVE ASSOCIATION

The Consumers Cooperative Association, with headquarters in Kansas City, Mo., was organized in 1929. As of August 31, 1951, CCA was serving 1,398 local and regional member associations. Local member cooperatives are located in Colorado, Iowa, Kansas, Missouri, Nebraska, North and South Dakota, Oklahoma, Utah, and Wyoming. These associations, in turn, serve approximately 449,000 patrons, about 98 percent farmers.

Crude oil production, pipe line transportation, and refinery operations are carried on by a wholly-owned subsidiary, The Cooperative Refinery Association.

Petroleum products make up 68 percent of the total merchandise and services furnished patrons, and feed and fertilizer 17 percent. CCA's and CRA's production and manufacturing operations provide practically all of the refined fuels, lube oil, and grease, and most of the feed and fertilizer supplied patrons. A summary of merchandise furnished by CCA and its consolidated subsidiary, CRA, is reported as follows:

<u>Commodity</u>	<u>¹²1950</u>	<u>1951</u>
Petroleum products-----	\$44,174,851	\$51,485,813
Tires, tubes, and auto accessories-----	1,823,590	2,143,920
Farm machinery, farm equipment and twine-----	1,467,604	3,103,275
Lumber, paint, hardware, and building supplies	3,200,781	4,346,179
Feed-----	5,712,935	6,853,012
Seed-----	55,108	26,088
Fertilizer-----	2,509,758	3,385,605
Insecticides-----	616,670	681,448
Farm and home appliances-----	647,905	647,773
Groceries-----	1,803,209	1,866,811
Miscellaneous-----	198,172	212,652
Total-----	\$62,210,583	\$74,752,576

¹²Revised.

Savings for the past 2 years were distributed in the following manner:

<u>Distribution of net savings</u>	<u>¹²1950</u>	<u>1951</u>
Cash dividends on stock-----	\$82,829	\$60,605
Patronage refunds in cash-----	-	139,582
Patronage refunds in share capital-----	-	2,003,392
Deferred patronage refunds to revolving fund----	-	2,264,440
Additions to surplus-----	<u>428,133</u>	<u>1,578,593</u>
Total-----	\$510,962	\$6,046,612

In 1950 CCA had no taxable income, but in 1951 in addition to net savings a provision of \$700,111 was made for income taxes on the earnings from non-cooperative business.

Other affiliated and partially-owned businesses of CCA-CRA provided additional margins, before provision for income taxes, for a grand total of \$523,366 net savings in 1950 and \$6,768,453 in 1951. These were distributed as follows:

	<u>¹³1950</u>	<u>1951</u>
CCA-CRA-----	\$510,962	\$6,746,723
The Cooperative Finance Association, Inc.-----	1,092	1,446
Consumers Insurance Agency-----	<u>11,312</u>	<u>20,284</u>
Total-----	\$523,366	\$6,768,453

Certificates in the amount of \$923,546 originally issued in payment of 1944 deferred patronage refunds were retired during 1950 under the revolving fund plan. Redemptions representing 1945 deferred patronage refunds totaled \$1,077,067 in 1951.

The consolidated balance sheet of the Consumers Cooperative Association and its subsidiary for the years ending August 31, 1950 and 1951, was as follows:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$18,039,906	\$21,976,020
Fixed assets (net)-----	22,988,340	23,450,944
Other assets-----	<u>6,142,248</u>	<u>6,840,399</u>
Total-----	\$47,170,494	\$52,267,363
Liabilities and net worth:		
Current liabilities-----	\$14,185,257	\$14,914,565
Other liabilities-----	14,150,337	14,442,305
Net worth-----	<u>18,834,900</u>	<u>22,910,493</u>
Total-----	\$47,170,494	\$52,267,363

¹²Revised.

¹³Revised.

The principal facilities owned and operated by CCA and CRA on August 31, 1951, were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Petroleum refineries-----	4	\$9,429,630	\$6,714,425
Crude oil production:			
Facility (equipment)-----		6,302,985	4,712,386
Oil reserve (leaseholds)-----		9,461,542	3,875,913
Pipeline (miles)-----	986	3,617,977	3,041,082
Distribution and transportation:			
Warehouse and terminal ¹⁴ -----	14	693,018	549,109
Highway transport ¹⁵ -----	89	803,753	434,936
Manufacturing:			
Facility ¹⁶ -----	13	3,911,938	2,912,361
Timber-----		1,110,388	740,093
Administrative building and equipment-----		565,493	363,201
Non-operating buildings and equipment-----		140,499	107,438
Total-----		\$36,037,223	\$23,450,944

In addition to these facilities, CCA and CRA has \$4,926,989 invested in jointly owned federations of regional co-ops which operated various manufacturing and wholesaling facilities.

The Consumers Cooperative Association and its subsidiary corporations had 2,242 employees on August 31, 1951 -- 684 engaged in general administrative activities, 907 in oil production and refining, 371 in manufacturing plants (other than refining), and 280 in transportation terminals and warehouses.

ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1951, it was providing a manufacturing and wholesale farm supply service for member associations throughout Illinois.¹⁷ The member associations, in turn, served about 130,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must be engaged wholly or partly in distributing farm supplies cooperatively.

¹⁴Includes some machinery, equipment, furniture, and fixtures for leased facilities.

¹⁵Includes 51 petroleum transports, 28 merchandise units, and 10 service units.

¹⁶Includes three fertilizer plants, two feed plants, and one plant each of the following: paint, printing, lumber mill, vegetable cannery, alfalfa dehydration, soybean mill, animal protein, and grease.

¹⁷Eighty-two of the member associations are cooperative petroleum, fuel, and fertilizer service companies that operate over county-wide areas. The remaining 88 are farmers' cooperatives of various types

The value of supplies distributed at wholesale by the Illinois Farm Supply Company during the fiscal years ending August 31, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$10,602,019	\$12,699,400
Fertilizer-----	4,857,480	6,318,874
Petroleum products-----	24,338,920	25,285,256
Tires, tubes, and accessories-----	1,080,512	1,040,719
Farm equipment-----	540,764	569,558
Steel products-----	676,232	840,783
Lumber, paint, equipment, and other maintenance-----	647,419	858,913
Insecticides-----	582,027	309,022
Twine-----	108,161	132,103
Miscellaneous-----	¹⁸ 3,300,758	4,391,024
Total-----	\$46,734,292	\$52,445,652

The total net margins, before income taxes, from all manufacturing, wholesaling, and transportation operations amounted to \$2,840,794 in 1950 and \$2,972,265 in 1951. Savings were distributed for the 2 years as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$323,055	\$346,212
Patronage refunds in cash-----	1,920,939	1,801,953
Patronage refunds in capital stock-----	200,800	300,100
Additions to reserves-----	100,000	100,000
Total-----	\$2,544,794	\$2,548,265

In 1950, additional reserves for income taxes were \$296,000, and in 1951 it were \$424,000.

The financial condition of the Illinois Farm Supply Company on August 31, 1950 and 1951, was as follows:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$8,020,961	\$8,330,769
Fixed assets (net)-----	4,607,232	4,533,606
Other assets ¹⁹ -----	3,257,005	3,246,846
Total-----	\$15,885,198	\$16,111,221
Liabilities and net worth:		
Current liabilities-----	\$4,735,501	\$4,748,336
Other liabilities-----	2,238,521	1,744,510
Net worth (capital and reserves)-----	8,911,176	9,618,375
Total-----	\$15,885,198	\$16,111,221

¹⁸Revised.

¹⁹Other assets include investments in a wholly-owned pipeline subsidiary and in 5 refineries jointly owned as well as other small investments.

On August 31, 1951, 71 percent of the net worth had been accumulated through the sale of stock, while 29 percent represented retained savings.

The Illinois Farm Supply Company has one wholly-owned subsidiary - the Loudon Pipeline Company - which operates crude oil pipelines and a small amount of production properties. Only the investment which the Illinois Farm Supply Company has in this subsidiary is included in its balance sheet.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company and its wholly-owned subsidiary as of August 31, 1951, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill-----	2	\$1,249,319	\$1,076,677
Marine terminal bulk petroleum plant-----	2	443,142	323,020
Transport truck-----	35	366,007	154,179
Barges and towboat-----	12	907,168	699,614
Tire recapping plant-----	1	7,759	63
Plant food plant-----	1	1,696,699	1,455,556
Petroleum refinery-----	1	929,126	756,199
Other facilities-----		<u>147,417</u>	<u>68,298</u>
Total-----		\$5,746,637	\$4,533,606

In addition to these facilities, Illinois Farm Supply Company had \$430,563 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

The Illinois Farm Supply Company and its subsidiary had 580 employees on August 31, 1951 - 219 engaged in general administration, and 361 in manufacturing, warehousing, and processing operations.

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters in Indianapolis, Ind., was organized in its present form in February 1927. At the end of its operating year, December 31, 1951, it was serving 85 county farm bureau cooperative associations in Indiana²⁰ and 1 in Kentucky. These 86 associations distribute supplies to approximately 160,000 patrons, about 90 percent of whom are farmers.

²⁰Many of these county cooperatives also render marketing services on grain, wool, poultry, eggs, and other products.

Supplies distributed at wholesale during 1950 and 1951 were as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$8,007,179	\$9,411,505
Seed-----	1,560,772	1,484,402
Fertilizer-----	4,895,599	6,524,824
Gas, oil, and grease-----	15,136,282	19,595,157
Tires, tubes, and other accessories-----	386,143	292,171
Farm machinery-----	3,143,471	3,370,309
Farm equipment-----	441,208	372,270
Steel products-----	2,554,432	2,195,685
Lumber, paint, and other maintenance equipment-----	2,647,523	2,658,871
Insecticides-----	347,736	467,601
Electrical equipment and appliances-----	746,421	844,052
Twine-----	76,693	115,239
Coal-----	1,351,925	823,804
Chicks, eggs, and turkey poults-----	228,934	339,668
Hog serum and virus-----	233,079	273,115
Miscellaneous-----	629,482	710,934
Total-----	\$42,386,879	\$49,479,607

The association has moved steadily into the field of marketing in recent years. Its first venture was in March 1947 when the Poultry and Egg Department was started. In October 1947 the Indiana Wool Growers was merged with the association and in October 1949 the directors of the Indiana Grain Cooperative voted to merge with the association. As of January 1, 1951, the Indiana Grain Marketing Division of the association was serving 140 locally owned cooperative elevators in the State.²¹

The sales value of farm products marketed by the association during 1950 and 1951 was as follows:²²

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Grain ²³ -----	\$57,251,337	\$67,377,026
Poultry-----	1,785,270	2,519,539
Eggs-----	1,089,584	2,255,499
Total-----	\$60,126,191	\$72,152,064

²¹While grain accounted for approximately 55 percent of total business during the past year, it seemed advisable to include this association in Part I of this handbook because of (1) the desirability of maintaining continuity of information on major supply operations in the country, and (2) the fact that by far the larger proportion of the association's facilities, capital, net savings, and personnel were accounted for by the supply business.

²²The wool department handled on a commission basis 897,113 pounds of wool during the 1950 season - approximately 47 percent of the total production in Indiana. In 1951 the volume handled was 1,212,735 pounds or 59.8 percent of the production in the State.

²³In its fiscal year ending December 31, 1951, the Grain Division marketed 29,875,000 bushels of grain valued at \$67,377,026.

Net savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash patronage refunds-----	-	\$464,439
Cash dividends on stock-----	\$201,308	166,661
Patronage refunds in stock-----	2,041,047	2,631,826
Amount retained in reserves-----	<u>874,734</u>	<u>-</u>
Total-----	\$3,117,089	\$3,262,926

The association has retired all common stock issued through 1943 and 40% of 1944 issue.

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., on December 31, 1950 and 1951, is shown in the following condensed financial statement.

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$21,867,695	\$23,311,173
Fixed assets (net)-----	9,259,408	10,092,732
Other assets-----	<u>6,789,358</u>	<u>5,611,441</u>
Total-----	\$37,916,461	\$39,015,346
Liabilities and net worth:		
Current liabilities-----	\$10,366,215	\$7,646,773
Other liabilities-----	1,127,113	3,899,843
Net worth (capital and reserves)-----	<u>26,423,133</u>	<u>27,468,730</u>
Total-----	\$37,916,461	\$39,015,346

On December 31, 1951, the association reported that 84 percent of its net worth represented retained savings. The remaining 16 percent has been accumulated through the sale of stock.

At the close of 1951, the principal wholesale purchasing and manufacturing facilities owned and operated included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plant-----	2	\$1,713,113	\$1,186,643
Seed cleaning plant-----	1	76,857	41,856
Wholesale farm supply warehouse-----	1	480,594	418,444
Petroleum refinery-----	1	4,643,048	3,419,362
Transport trucks-----	36	338,002	89,684
General delivery truck-----	26	59,169	32,693
Barge-----	6	231,557	147,371
General office building-----	1	315,500	291,197
Oil well leases and equipment-----	-	1,870,256	987,266
Grain elevators-----	4	3,089,836	2,501,625
Total ²⁴ -----		\$12,817,932	\$9,116,141

In addition, investments of \$1,953,860 in facilities were owned jointly with other cooperatives.

On December 31, 1951, the Indiana Farm Bureau Cooperative Association had 1,064 employees. Of these, 213 were engaged in general administrative activities; 323 in manufacturing, warehousing, and processing operations; 7 in retail distribution; 186 in wholesale distribution; and 335 in marketing farm products.

FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of December 1951, it was serving 528 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It also was serving 500 nonmember associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho and Wyoming.

²⁴In addition, the following properties were included under "other assets":

- (a) Crude oil pipelines and equipment operated by Farm Bureau Oil Co. - a subsidiary - which had a cost value of \$1,019,749 and a book value of \$563,170.
- (b) Crude oil properties which had a cost value of \$4,864,828 and a book value of \$2,625,231.
- (c) Lumber mill and timber holdings operated by Farm Bureau Lumber Corporation - a subsidiary - which had a cost value of \$481,374 and a book value of \$337,792.

The value of supplies distributed at wholesale during 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$2,135,602	\$2,401,834
Seed-----	713,876	619,124
Fertilizer-----	1,073,322	1,198,296
Petroleum products-----	25,510,206	27,866,183
Tires, tubes, and other accessories-----	3,215,993	3,128,870
Farm machinery-----	2,086,703	3,841,674
Milking machines-----	67,837	100,564
Paint-----	233,176	236,535
Hardware and building material-----	1,672,249	1,953,319
Insecticides-----	33,747	-
Electrical equipment and appliances-----	583,420	600,828
Twine-----	260,905	471,999
Agricultural chemicals-----	267,539	359,770
Miscellaneous-----	141,890	147,162
L.P. gas equipment-----	401,310	473,070
Oil equipment-----	376,210	522,121
Total-----	\$38,773,985	\$43,921,349

Net savings of the Exchange for the last 2 years were derived as follows:

<u>Source of net savings</u>	<u>1950</u>	<u>1951</u>
Manufacturing and wholesale purchasing operations-----	\$3,415,141	\$3,766,755
Net savings in form of stock and stock credits from other cooperatives-----	589,204	837,146
Total-----	\$4,004,345	\$4,603,901

These net savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash-----	\$3,671	\$3,594
Educational fund-----	187,263	217,926
Patronage refunds in capital stock-----	3,195,399	3,691,796
Amount retained in reserves-----	417,795	460,390
Employees' savings-sharing fund-----	200,217	230,195
Total-----	\$4,004,345	\$4,603,901

All capital stock originally issued in payment of patronage refunds has been retired through the year 1943.

A condensed financial statement of the Farmers Union Central Exchange, Inc., December 31, 1950 and 1951, follows:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$10,918,522	\$11,680,588
Fixed assets (net)-----	2,917,282	5,128,499
Other assets-----	422,861	603,052
Investments-----	8,039,285	8,877,933
Total-----	\$22,297,950	\$26,290,072
Liabilities and net worth:		
Current liabilities-----	\$3,705,061	\$4,139,143
Non-current liabilities-----	-	-
Net worth (capital and reserves)-----	18,592,889	22,150,929
Total-----	\$22,297,950	\$26,290,072

Facilities owned and operated at the close of 1951 included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse-----	10	\$368,368	\$284,811
Oil blending plant and main buildings and equipment-----	1	1,375,813	1,102,219
Auto and truck-----		135,546	103,841
Furniture and fixtures-----		331,333	208,663
Refinery property-----	1	4,364,653	3,018,063
Bottled gas plant and equipment----	16	488,680	410,902
Total-----		\$7,064,393	\$5,128,499

On December 31, 1951, the Farmers Union Central Exchange had 543 employees. Of these, 100 were engaged in general and administrative activities and 443 in manufacturing, warehousing, and processing operations.

THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1951, it was serving 88 member associations with 242 distributing points in the State of Ohio. These cooperative outlets served 195,000 patrons, of whom 90 percent were farmers.

The value of supplies distributed at wholesale during 1950 and 1951 is shown in the following summary:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$11,456,423	\$14,317,257
Fertilizer-----	4,283,457	5,017,802
Seed and seed potatoes-----	1,778,877	1,885,234
Gas, oil, and grease-----	10,740,466	11,414,890
Tires, tubes, and other accessories-----	267,196	251,476
Farm machinery-----	2,356,210	2,282,632
Farm equipment-----	137,691	287,084
Steel products-----	1,361,009	1,200,331
Lumber, paint and other maintenance equipment-----	1,266,240	1,069,935
Insecticides-----	362,131	391,086
Electrical equipment and appliances-----	355,941	213,473
Coal-----	394,124	266,685
Miscellaneous-----	790,623	966,650
Total ²⁵ -----	²⁶ \$35,550,388	²⁷ \$39,564,535

The value of farm products marketed through The Farm Bureau Cooperative Association, Inc., follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Grain-----	\$16,115,918	\$19,830,272
Eggs-----	307,632	-0-
Total-----	\$16,423,550	\$19,830,272

Total savings for 1950 were \$1,065,582 of which \$62,654 was derived from marketing and \$1,002,928 from purchasing. Savings for 1951 totalled \$1,331,566 of which \$100,945 was derived from marketing and \$1,230,621 from purchasing. Net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$331,402	\$341,519
Cash patronage refunds-----	7,784	5,578
Patronage refunds in capital stock-----	460,000	585,000
Amount retained in reserves-----	266,396	399,469
Total-----	\$1,065,582	\$1,331,566

²⁵Home appliances and other consumer goods are handled by the Cooperative Wholesale Association, Columbus, Ohio. This is a separate organization managed and financed by The Farm Bureau Cooperative Association. Seventy-eight of its 79 members are county Farm Bureau co-ops. Its sales totaled \$844,130 in 1950, and \$1,015,302 in 1951. Net savings were \$40,719 in 1950, and \$40,019 in 1951.

²⁶Includes \$62,952 intercompany transactions.

²⁷Includes \$6,833 intercompany transactions.

Stock certificates amounting to \$385,607, originally issued in payment of patronage refunds were retired during 1950 under revolving fund plans. The amount retired in 1951 was \$377,078.

The financial condition of The Farm Bureau Cooperative Association, Inc., as of December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$12,155,943	\$12,306,256
Fixed assets (net)-----	3,498,713	3,616,366
Other assets ²⁸ -----	<u>5,064,823</u>	<u>6,031,087</u>
Total-----	\$20,719,479	\$21,953,709
Liabilities and net worth:		
Current liabilities-----	\$6,711,111	\$5,946,439
Other liabilities-----	3,263,158	4,548,368
Net worth (capital and reserves)-----	<u>10,745,210</u>	<u>11,458,902</u>
Total-----	\$20,719,479	\$21,953,709

Forty percent of the net worth was accumulated through the sale of stock and 60 percent was built up by savings.

The Farm Bureau Cooperative Association owns a subsidiary - The Louisville Refining Company - which refines petroleum products and it in turn owns a subsidiary - The Producers Pipe Line Company - which produces and transports crude oil. Only the investments which The Farm Bureau Cooperative Association has in these subsidiaries is included in "other assets" in its balance sheet.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association, and its subsidiaries at the close of the 1951 fiscal year are as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill-----	4	\$920,826	\$337,608
Fertilizer plant-----	5	958,082	521,866
Wholesale farm supply warehouse-----	5	333,371	200,679
Transport truck-----	6	114,791	48,669
Oil delivery truck-----	15	234,692	125,654
Petroleum refinery-----		4,298,689	3,299,868
Crude oil pipe line (miles) ²⁹ -----	241	889,567	292,662
Crude oil property-----		<u>998,245</u>	<u>705,017</u>
Total-----		\$8,748,263	\$5,532,023

²⁸ Other assets in 1951 include investments of \$1,826,528 in feed, fertilizer, petroleum processing, and other facilities jointly owned with other cooperative associations and \$3,919,033 in wholly-owned subsidiaries operating refining and pipe line facilities.

²⁹ 6" - 4.0 miles
4" - 31.4 miles
3" - 24.5 miles
2" - 180.2 miles
240.1 miles

On December 31, 1951, The Farm Bureau Cooperative Association, Inc., and its subsidiaries had 807 employees. Of these, 260 were engaged in general and administrative activities; 384 in manufacturing, warehousing, and processing operations; 135 in wholesale distribution; and 28 in marketing farm products.

FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as FCX, with headquarters at Raleigh, N. C. was organized on March 12, 1934.³⁰ It serves approximately 167,000 patrons in North and South Carolina.

Supplies are distributed through 59 FCX centrally-managed subsidiary retail service stores, 36 independent cooperative associations, and 152 private dealer agencies.

The value of supplies distributed at wholesale by FCX through the outlets listed was as follows for the years ending June 30, 1950 and 1951:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feeds and grains-----	\$5,987,275	\$7,607,539
Fertilizer-----	2,693,771	2,931,087
Seeds-----	3,181,264	3,359,878
Steel, asphalt, and building materials-----	1,680,256	2,681,462
Paint-----	70,360	66,432
Farm machinery-----	1,125,755	1,145,459
Electrical appliances-----	735,426	833,427
Oil, tires and tubes-----	56,958	86,564
Sprays and dusts-----	551,152	682,444
Miscellaneous farm supplies-----	670,092	736,798
Total-----	\$16,752,309	\$20,131,090

The value of supplies distributed at retail by FCX-managed retail outlets amounted to \$11,755,130 in 1950 and \$13,508,546 in 1951.

The value of farm products marketed by FCX was as follows for 1950 and 1951:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Grains-----)		
Seeds-----)	\$1,310,391	\$1,876,250
Eggs and poultry-----	390,248	356,200
Livestock-----	308,694	486,932
Wool-----	14,450	17,218
Miscellaneous-----	108,740	81,647
Total-----	\$2,132,523	\$2,818,247

³⁰The operations of FCX are closely related to the North Carolina Cotton Growers Cooperative Association. The same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Cooperative Association was valued at \$6,101,589 during the 1950 season and \$3,038,595 during the 1951 season. This association's net worth on June 30, 1950, was \$715,439, and on June 30, 1951, it was \$1,026,739.

Net savings of FCX amounted to \$503,589 for the year ending June 30, 1950, and \$886,980 for 1951:

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$165,113	\$198,470
Cash patronage refunds-----	10,944	24,263
Patronage refunds in capital stock-----	325,573	458,314
Amount retained in reserves-----	<u>1,959</u>	<u>205,933</u>
Total-----	\$503,589	\$886,980

Stock certificates totaling \$23,718, originally issued as patronage refunds, were retired during the year under the revolving fund plan.

The financial condition of the FCX as of June 30, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$4,526,723	\$5,253,122
Fixed assets (net)-----	1,697,746	2,135,222
Other assets-----	<u>956,934</u>	<u>975,007</u>
Total-----	\$7,181,403	\$8,363,351
Liabilities and net worth:		
Current liabilities-----	\$1,485,859	\$1,812,091
Other liabilities-----	836,400	666,000
Net worth (capital and reserves)-----	<u>4,859,144</u>	<u>5,885,260</u>
Total-----	\$7,181,403	\$8,363,351

The number and value of facilities owned and operated by FCX and its affiliated service stores and marketing unit on June 30, 1951, were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse-----	6		
Fertilizer mixing plant-----	2		
Seed-cleaning plant-----	21		
Retail farm supply store-----	59		
General delivery truck-----	135		
Office building-----	3		
Miscellaneous-----	6		
Total-----		\$2,610,559	\$2,135,222

In addition to these facilities, FCX and Southern States Cooperative, Inc., jointly own a cooperative feed mill at Statesville, N. C. They also jointly manufacture feed in Norfolk and Roanoke, Va., and fertilizer in a cooperative fertilizer plant in Norfolk, Va. The FCX investment in these facilities on June 30, 1951, amounted to \$436,413.

On June 30, 1951, FCX had 645 employees. Of these, 105 were engaged in general administrative activities; 60 in manufacturing, warehousing, and processing operations; 480 in retail distribution.

MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1951, it was serving 682 member associations with 250,000 patrons, 95 percent of whom were farmers. It was also serving 188 nonmember associations with 15,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter of the State. It also operates throughout Wisconsin except for the extreme north, in northern Iowa, and in the extreme eastern parts of the Dakotas.

The value of supplies distributed at wholesale by the Midland Cooperative Wholesale in 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed, flour, and middlings-----	\$2,679,307	\$2,972,696
Fertilizer-----	1,767,969	1,866,716
Seed-----	1,308,820	1,221,656
Petroleum products-----	18,074,093	18,459,063
Tires, tubes, and accessories-----	1,586,738	1,458,767
Farm machinery-----	1,101,694	1,469,860
Steel products-----	506,772	509,811
Paint and related products-----	175,751	169,642
Insecticides-----	22,188	26,831
Electrical equipment-----	755,037	795,657
Coal-----	473,971	291,216
Groceries and dry goods-----	334,827	280,399
Hardware and farm tools-----	425,128	563,715
Oil station equipment-----	245,390	218,224
Miscellaneous-----	3,311	4,259
Total-----	\$29,460,996	\$30,308,512

Net margins, before income taxes, amounted to \$1,064,332 in 1950. In 1951 net savings were \$1,261,294. Net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$239,898	\$140,732
Patronage refunds in capital stock-----	563,605	816,477
Amount retained in unallocated surplus-----	68,401	90,720
Total-----	\$871,904	\$1,047,929

The provision for income taxes in 1950 was \$192,428, and in 1951 it was \$213,365.

The financial condition of the Midland Cooperative Wholesale as of December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$7,699,224	\$6,866,220
Fixed assets (net)-----	3,411,789	2,928,052
Other assets-----	6,045,798	6,626,972
Total-----	\$17,156,811	\$16,421,244
Liabilities and net worth:		
Current liabilities-----	\$4,165,465	\$2,838,344
Other liabilities-----	3,233,507	2,915,855
Net worth (capital and reserves)-----	9,757,839	10,667,045
Total-----	\$17,156,811	\$16,421,244

On December 31, 1951, the Midland Cooperative Wholesale owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Crude oil property-----		\$3,071,638	\$1,205,767
Refinery (complete)-----	1	1,952,892	1,137,459
Oil blending plant and bulk petro- leum plants and warehouse-----		785,851	487,403
Transport truck and trailer-----		23,216	3,604
Other properties-----		122,333	93,819
Total-----		\$5,955,930	\$2,928,052

Investments by Midland in other production and operating facilities owned jointly with other cooperatives were as follows at the end of 1951:

<u>Type of facility</u>	<u>Amount invested</u>
Fertilizer, feed, and seed processing-----	\$1,376,974
Shingle mill and timber-----	21,986
Refineries and pipelines-----	4,311,095
Farm machinery factories-----	234,595
Soybean mill-----	125,883
Properties of National Cooperatives, Inc. (including milking machine factory)-----	365,665
Other investments-----	107,609
Total-----	\$6,543,807

On December 31, 1951, the Midland Cooperative Wholesale had 434 employees. Of these, 174 were engaged in general and administrative activities; 172 in manufacturing, warehousing, and processing operations; and 88 in wholesale distribution.

WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, with headquarters in Seattle, Wash., was organized in February 1917, as the Washington Co-operative Egg and Poultry Association. Its name was changed in February 1945 when it broadened its membership requirements and scope of services. The association is a centralized organization. During 1951 it served 35,224 member farmers located throughout Washington.

Anyone engaged in the production of farm products in commercial quantities may become a member by paying a \$1 membership fee and 50 cents the first year for a subscription to "Washcoegg" - the house organ of the association. Those wishing to market products through the association must sign marketing agreements covering the specified commodities marketed.

Patrons are served through 38 branch stations located throughout Washington in addition to the facilities at headquarters in Seattle. Poultry and poultry products, feed, and general farm supplies are handled by all stations. Only 5 have petroleum bulk plants, but in the areas of the other branch stations, oil products are delivered to farmers by the association's tank trucks direct from bulk plants of its supplier.

Washington Co-operative Farmers Association is an integrated organization which processes a large amount of the products marketed and supplies handled.

The value of supplies and equipment distributed to patrons during its fiscal years ended December 31, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$15,311,513	\$19,779,750
Seed-----	327,591	410,941
Fertilizer-----	524,952	622,734
Petroleum-----	4,657,008	5,066,976
Other farm supplies and equipment-----	1,199,279	1,596,171
Total-----	\$22,020,343	\$27,476,572

The association was originally formed as an egg and poultry marketing association and this still is one of its major functions. The value of products marketed for patrons the last 2 years was as follows:

<u>Product</u>	<u>1950</u>	<u>1951</u>
Eggs and egg products-----	\$7,909,000	\$9,853,821
Dressed poultry-----	1,460,000	3,029,296
Dressed turkeys-----	2,714,000	3,105,535
Canned poultry and turkey-----	2,714,000	2,950,062
Seeds-----	192,000	238,802
Total-----	\$14,989,000	\$19,177,516

Net operating margins or savings, before paying interest on finance fund certificates, for the years ended December 31, 1950 and 1951, were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Interest on "finance fund" certificates-----	\$308,765	\$313,932
Extra payments on marketing and patronage refunds on purchasing issued as "finance fund" certificates-----	1,540,783	1,637,901
Amounts placed in rotating reserve fund-----	244,031	394,667
Total-----	\$2,093,579	\$2,346,500

The association declares separate rates of extra payments on a patronage basis in its egg, poultry, cannery, turkey, and seed marketing departments and a separate patronage refund rate in its feed, seed and fertilizer, and farm supply departments. During 1950 the association retired in cash the "finance fund" certificates for 1946 totaling \$1,509,846 and rotating reserve funds for 1944 totaling \$117,382. During 1951, the association returned in cash "finance fund" certificates for 1947 totaling \$1,669,011 and rotating reserve funds for 1945 totaling \$333,612.

The financial condition of the Washington Co-operative Farmers Association on December 31, 1950 and 1951, is shown in the following consolidated balance sheet:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$8,294,003	\$10,305,324
Fixed assets (net)-----	4,380,299	5,151,548
Other assets-----	498,390	530,183
Total-----	\$13,172,692	\$15,987,055
Liabilities and net worth:		
Current liabilities-----	\$1,392,647	\$3,919,636
Deferred liabilities-----	-	-
Net worth (finance fund, reserve funds and undistributed operating margins)-----	11,780,045	12,067,419
Total-----	\$13,172,692	\$15,987,055

On December 31, 1951, approximately 80 percent of the association's net worth was represented by retained net operating margins or savings and the remainder by regular subscriptions on farm products marketed.

At the close of 1951, the principal facilities owned by the association were:

<u>Type of facility</u>	<u>Cost value</u>	<u>Depreciated value</u>
Buildings and improvements to leased properties-----	\$4,308,439	\$3,182,107
Land-----	258,901	258,901
Machinery, equipment and furniture-----	2,460,827	1,211,061
Trucks and automobiles-----	1,267,474	499,479
Total-----	\$8,295,641	\$5,151,548

In addition to these facilities the association had \$59,756 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On December 31, 1951, the association had 1,530 employees engaged in its various purchasing and marketing activities.

MFA MILLING COMPANY

The MFA Milling Company, with headquarters in Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1951, it was serving 117 local MFA farmers' cooperative exchanges with approximately 75,000 farmer-members. In addition, through arrangements with regional supply cooperatives in

Arkansas and Tennessee and through direct arrangements with locals in Oklahoma, Kansas, Texas, and Louisiana, farmers obtain feed from MFA Milling Company at 135 local outlets in six additional States. The MFA Milling Company, the largest regional purchasing association affiliated with the Missouri Farmers Association, is owned by local MFA cooperatives in south Missouri.³¹

The local cooperatives, in turn, are owned by the MFA members which they serve. The MFA Milling Company is organized on a nonstock, nonprofit plan, and is financed by patrons' equities. Half of the board of directors is named by the local cooperatives it serves, which constitute its class B membership, and the other half is named by the State Board of the Missouri Farmers Association, which constitutes its class A membership.

Supplies distributed at wholesale by the MFA Milling Company were as follows during the years ending June 30, 1950 and 1951:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$20,359,398	\$24,945,058
Seed-----	820,519	1,836,278
Wire-----	139,659	-
Paint-----	19,859	-
Total-----	\$21,339,435	\$26,781,336

The total net savings for 1950 and 1951 were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Patronage refunds in cash-----	\$1,000,000	\$1,000,000
Additions to membership equity reserves-----	342,518	249,776
Total-----	\$1,342,518	\$1,249,776

³¹In addition to the MFA Milling Company, 17 of the 35 major agencies affiliated with MFA are engaged mainly in the wholesale purchasing and manufacturing of farm supplies. These 18 major agencies, including the MFA Milling Company, handled \$53,964,000 worth of farm supplies in the fiscal year ending in 1951, compared with \$42,790,356 in the fiscal year ending in 1950. Feed supplies made up the major share of this volume, accounting for about 60 percent of the total. The next largest item was petroleum products which comprised about 13 percent of the total volume.

These 18 MFA affiliated major agencies had assets in 1951 of \$16,500,000 compared with liabilities of \$6,800,000 and a net worth of \$9,700,000.

These data do not include the purchasing volume of 232 local MFA exchanges, as there is some duplication between their volume and that of the major agencies.

The following condensed financial statement shows the financial condition of the MFA Milling Company on June 30, 1950 and 1951:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$2,701,701	\$2,736,195
Fixed assets (net)-----	1,086,770	1,780,280
Other assets-----	<u>129,842</u>	<u>146,740</u>
Total-----	\$3,918,313	\$4,663,215
Liabilities and net worth:		
Current liabilities-----	\$50,111	\$579,159
Other liabilities-----	334,910	11,186
Net worth-----	<u>3,533,292</u>	<u>4,072,870</u>
Total-----	\$3,918,313	\$4,663,215

On June 30, 1951, the operating facilities of the MFA Milling Company consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Total value of mill buildings, machinery, and equipment-----	2	\$2,275,346	\$1,737,130

The MFA Milling Company, in June 1951, had 374 employees, of whom 221 were at Springfield and 153 at Aurora. Of these, 30 were engaged in general administrative activities; 335 in manufacturing, warehousing, and processing operations; and 9 in field service work.

PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Pa., was organized in 1934. At the close of 1951 it was serving 34 member associations operating on a county-wide basis with 72,000 patrons of whom 97 percent were farmers. Supplies also are distributed by 26 private dealer agents and 3 farmer fertilizer agents which are conducted through the Farm Bureau Cooperative Distribution Association, Harrisburg, Pa. During 1950 it had 2,340 patrons of whom approximately 95 percent were farmers. The total service area of the Pennsylvania Farm Bureau Cooperative Association comprises 53 counties in the State of Pennsylvania.

Supplies were distributed at wholesale for the years ending December 31, 1950 and 1951, as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$7,292,737	\$8,974,681
Fertilizer-----	1,815,607	1,975,296
Seed-----	968,703	1,049,225
Petroleum products-----	5,749,082	5,934,313
Tires, tubes, and other accessories-----	270,665	274,048
Farm machinery-----	592,374	725,451
Farm equipment-----	639,275	741,810
Steel products-----	749,876	687,499
Lumber, paint, and other maintenance equipment-----	156,059	196,907
Insecticides-----	314,539	392,155
Electrical equipment and appliances-----	347,153	407,556
Twine-----	141,490	287,848
Miscellaneous-----	197,183	289,302
Total-----	\$19,234,743	\$21,936,091

Net savings, before income taxes, for the years ending December 31, 1950 and 1951, were derived as follows:

<u>Source of net savings</u>	<u>1950</u>	<u>1951</u>
Manufacturing and wholesale purchasing operations-----	\$710,916	\$814,271
Other operations-----	70,048	80,237
Total-----	\$780,964	\$894,508

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$139,366	\$145,997
Patronage refunds in capital stock-----	188,500	325,296
Retained in reserves (includes reserves for income taxes)-----	453,098	423,215
Total-----	\$780,964	\$894,508

The financial condition of the Pennsylvania Farm Bureau Cooperative Association on December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$2,968,697	\$3,274,470
Fixed assets (net)-----	1,132,132	1,173,552
Other assets-----	2,796,739	3,291,070
Total-----	\$6,897,568	\$7,739,092
Liabilities and net worth:		
Current liabilities-----	\$725,637	\$1,018,420
Other liabilities-----	160,000	1,019,292
Net worth (capital and reserves)-----	6,011,931	5,701,380
Total-----	\$6,897,568	\$7,739,092

On December 31, 1951, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill-----	1	\$372,449	\$274,141
Seed cleaning plant-----	1	152,685	110,083
Wholesale farm supply warehouse-----	2	278,238	215,482
Office building-----	1	205,575	192,396
Transport truck-----	17	95,271	46,765
Dust plant-----	1	16,479	5,556
Hatchery-----	3	166,511	138,848
Poultry breeding farm-----	1	81,741	67,683
Total-----		\$1,368,949	\$1,050,954

In addition, the association held investments of \$3,191,442 in facilities jointly owned with other cooperatives.

On December 31, 1951, the Pennsylvania Farm Bureau Cooperative Association had 274 employees. Of these, 410 were engaged in general and administrative activities; 96 in manufacturing, warehousing, and processing operations; and 38 in wholesale distribution.

PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year, June 30, 1951, it was serving 103 member associations in Oregon, Washington, Idaho, and northwest Wyoming. Patrons of these associations

numbered 60,000 and 95 percent were farmers. It also served 50 non-member associations with 15,000 patrons, of whom 60 percent were farmers.

Supplies distributed at wholesale during the fiscal years ending June 30, 1950 and 1951, were as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Fertilizer-----	\$1,185,764	\$1,728,362
Feed and grain-----	1,000,348	1,378,854
Seed-----	112,459	155,970
Gas, oil, grease, and fuel oil-----	9,807,248	11,153,503
Tires, tubes, and other accessories-----	540,489	1,110,585
Farm machinery and parts-----	551,693	1,191,163
Lumber, paint, steel products, and other maintenance equipment-----	722,799	965,947
Insecticides and chemicals-----	433,963	652,472
Electrical equipment and appliances-----	144,484	195,654
Hardware-----	218,350	372,899
Farm appliances and irrigation supplies-----	574,707	628,842
Miscellaneous supplies and service revenues-----	229,861	167,656
Total-----	\$15,522,165	\$19,701,907

The value of farm products marketed by Pacific Supply Cooperative in 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Seed-----	\$1,881,159	\$3,549,852
Grain-----	2,121,292	1,816,407
Potatoes-----	340,065	-
Total-----	\$4,342,516	\$5,366,259

Total net savings amounted to \$505,979 in 1950 and \$1,002,390 in 1951.

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Patronage refunds in certificates of indebtedness-----	\$493,329	\$974,309
Amount retained in reserves-----	12,650	24,982
Total-----	\$505,979	\$999,291

The association reports that \$213,328 in stock or certificates originally issued as patronage refunds were retired in 1950 under its revolving fund plan. In 1951 the amount retired was \$128,103.

The financial condition of the Pacific Supply Cooperative on June 30, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$4,571,118	\$5,842,789
Fixed assets (net)-----	921,543	1,301,881
Other assets and investments-----	<u>1,030,642</u>	<u>1,173,534</u>
Total-----	\$6,523,303	\$8,318,204
Liabilities and net worth:		
Current liabilities-----	\$1,589,130	\$2,518,897
Other liabilities-----	55,769	18,517
Net worth (capital and reserves)-----	<u>4,878,404</u>	<u>5,780,790</u>
Total-----	\$6,523,303	\$8,318,204

On June 30, 1951, the Pacific Supply Cooperative owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse-----	4	\$197,480	\$130,225
Seed and feed plant-----	4	605,466	385,750
Chemical and fertilizer plant-----	3	270,997	192,559
Transport truck-----	15	316,866	112,784
Office-----	1	88,129	44,287
Other-----		<u>123,281</u>	<u>112,920</u>
Total-----		\$1,602,219	\$978,525

In addition, the association held investments of \$389,373 in facilities owned jointly with other cooperative associations.

On June 30, 1951, the Pacific Supply Cooperative had 240 employees. Of these, 78 were engaged in general administrative activities; 86 in manufacturing, warehousing, and processing operations; and 76 in marketing farm products.

FRUIT GROWERS SUPPLY COMPANY

Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing association. It serves 170 member citrus fruit packing associations with 14,000 farmer-members

who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it is in fact the supply procurement agency for members of the California Fruit Growers Exchange.

The value of supplies distributed at wholesale by the Fruit Growers Supply Company during 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Box shook, tissue paper wraps, and other packing supplies-----	\$15,380,665	\$16,548,461
Fertilizer-----	1,489,349	1,990,805
Insecticides-----	439,927	646,238
Miscellaneous orchard supplies-----	689,242	513,427
Total-----	\$17,999,183	\$19,698,931

The total patronage refunds on these sales amounted to \$2,027,014 in 1950 and \$1,602,682 in 1951. All refunds were distributed in cash.

The company is owned by the local fruit-shipping organizations which it serves. Ownership is in proportion to their use of the company facilities. Under a revolving fund agreement shippers purchase, on the basis of current fruit shipments, shares of the capital stock of the company and a corresponding amount of the oldest outstanding stock is called in each year. Additional capital is now being raised under an agreement which calls for each shipper to purchase additional stock equal to 2 cents for each packed box of fruit shipped by it.

The financial condition of Fruit Growers Supply Company on December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$9,155,528	\$10,398,070
Fixed assets (net)-----	12,044,520	11,948,267
Other assets-----	478,937	553,793
Total-----	\$21,678,985	\$22,900,130
Liabilities and net worth:		
Current liabilities-----	\$6,057,645	\$6,293,739
Other liabilities-----	7,491,600	7,130,282
Net worth (capital and reserves)-----	8,129,740	9,476,109
Total-----	\$21,678,985	\$22,900,130

Fruit Growers Supply Company owns and operates three lumber and box shook manufacturing plants and several thousand acres of timberland.

On December 31, 1951, Fruit Growers Supply Company had 1,975 employees. Of these, 50 were engaged in general and administrative activities and 1,925 in logging and manufacturing operations.

FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1951, this organization provided supply service for some 100,000 patrons through 157 member associations,³² 30 nonmember associations, 12 branch retail outlets, and 180 private dealer outlets. Farmers represented approximately 85 percent of the patrons of these retail outlets.

The value of supplies distributed at wholesale for the fiscal years ending August 31, 1950 and 1951, was as follows:

<u>Commodity</u> ³³	<u>1950</u>	<u>1951</u>
Feed-----	\$3,115,083	\$3,519,967
Fertilizer-----	2,864,676	3,294,582
Seed-----	1,285,666	1,112,945
Steel products-----	988,159	1,138,426
Lumber, paint, and other maintenance equipment-----	140,106	202,744
Insecticides-----	386,918	390,678
Farm machinery-----)		
Electrical equipment and appliances-----)	1,872,290	1,334,250
Twine-----)		
Coal-----	193,200	163,257
Total-----	\$10,846,098	\$11,156,849

The value of supplies distributed at wholesale include the value of supplies purchased for branch outlets amounting to \$3,495,000 in 1950 and \$3,420,000 in 1951.

In addition to the wholesale supply operations, the value of supplies distributed through branch outlets owned by the association amounted to \$5,212,339 in 1950 and \$6,279,679 in 1951. This volume included \$1,925,543 distributed at wholesale in 1950 and \$2,367,291 distributed at wholesale in 1951.

³²Sixteen of the member associations were managed by Farm Bureau Services, Inc., under the management contracts.

³³Beginning January 1, 1949, the distribution of petroleum products was handled through a separate corporation, the Farmers Petroleum Cooperative, Inc. Its volume of business for the year ending August 31, 1950, was \$3,064,967 and net savings totaled \$79,720. This compares with a volume of \$3,730,028 and savings of \$99,935 for the year ending August 31, 1951.

While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, the value of farm products marketed during the years ending August 31, 1950 and 1951, was reported as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Grain-----	\$1,157,464	\$1,474,641
Beans-----	788,515	411,109
Eggs and poultry-----	96,781	83,071
Fruit-----	7,076	-
Total-----	\$2,049,836	\$1,968,821

The sources of total net savings of the organization for the fiscal years 1950 and 1951, were as follows:

<u>Source of net savings</u>	<u>1950</u>	<u>1951</u>
Wholesale supply business (including manufacturing margins)-----	\$255,729	\$431,455
Retail supply business-----	45,328	113,983
Farm marketings-----	7,021	24,659
Total-----	\$308,078	\$570,097

These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$37,247	\$41,050
Patronage refunds in capital stock-----	262,855	526,896
Addition to reserve fund-----	7,976	2,151
Total-----	\$308,078	\$570,097

The financial condition of Farm Bureau Services, Inc., as of August 31, 1950 and 1951, is shown by the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$3,332,612	\$3,637,476
Fixed assets (net)-----	2,124,468	2,127,350
Other assets ³⁴ -----	812,040	849,152
Total-----	\$6,269,120	\$6,613,978
Liabilities and net worth:		
Current liabilities-----	\$1,429,187	\$1,224,418
Fixed indebtedness ³⁵ -----	2,839,690	2,856,895
Net worth (capital and reserves)-----	2,000,243	2,532,665
Total-----	\$6,269,120	\$6,613,978

³⁴Mainly investments in regional cooperatives.

³⁵Includes liability on debentures as follows:

	<u>1950</u>	<u>1951</u>
4% - 10 year debentures-----	\$1,242,950	\$1,551,280
3% - 15 year debentures-----	604,840	595,550
	\$1,847,790	\$2,146,830

The value of the principal operating facilities owned by August 31, 1951, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse ³⁶ ---	6	\$393,736	\$339,349
Seed cleaning plant-----	1	70,873	45,230
Retail farm supply branch-----	12	625,200	469,339
Wholesale and retail farm equipment branch-----	3	60,445	50,764
General delivery truck and car-----	45	79,645	36,516
Office equipment-----		122,643	74,836
Transportation department trucks and trailers, tractor-trailer units--	9	70,173	36,668
Temporary office building-----	2	20,924	6,486
Bulk petroleum plant ³⁷ -----	3	24,628	10,340
Dust mixing plant-----	1	31,091	24,165
Fertilizer manufacturing plant-----	1	1,257,522	1,033,657
Total-----		\$2,756,880	\$2,127,350

In addition, Farm Bureau Services had \$664,267, invested in jointly owned federations of regional cooperatives which operated various manufacturing facilities.

At the end of its fiscal year on August 31, 1951, Farm Bureau Services, Inc., had 392 employees - 58 in general administrative activities, 120 in manufacturing, processing, and wholesale distribution, 170 in retailing and marketing, and 44 in contractual services for the affiliated Michigan Farm Bureau.

CENTRAL CO-OPERATIVE WHOLESALE

The Central Co-operative Wholesale - C.C.W. - with headquarters at Superior, Wis., was organized on September 16, 1917. At the close of its operating year on November 30, 1951, it was serving 209 member and 48 nonmember cooperatives in northern parts of Michigan, Wisconsin, Minnesota, and in eastern North Dakota. These cooperative outlets served approximately 100,000 patrons, 75 percent of whom were farmers.

³⁶Five of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

³⁷One plant is leased to a local association managed by Farm Bureau Services, Inc.

The value of supplies distributed at wholesale during 1950 and 1951 was as follows:

<u>Commodity</u>	<u>12 months 1950</u>	<u>11 months 1951</u>
Feed-----)		
Fertilizer-----)	\$2,745,328	\$2,594,150
Seeds-----)		
Petroleum products-----	1,590,006	1,538,805
Tires, tubes, and other accessories-----	307,449	286,563
Steel products-----	181,298	148,296
Lumber, paints, and other maintenance equipment-----	357,878	327,629
Insecticides-----	52,282	38,742
Electrical equipment and appliances-----	403,915	366,819
Farm machinery-----	251,877	296,829
Hardware-----	229,184	255,115
Twine-----	30,756	76,040
Coal-----	125,782	80,191
Groceries-----	2,733,673	2,732,324
Fresh fruits and vegetables-----	318,863	320,770
Bakery products-----	319,070	327,560
Coffee-----	426,928	445,632
Clothing-----	642,295	647,966
Total-----	\$10,716,584	\$10,483,431

The total net margins, before income taxes, on manufacturing and whole-sale purchasing operations amounted to \$199,929 in 1950 and \$293,287 in 1951. Savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Unallocated surplus-----	\$2,275	\$4,088
Patronage refunds paid in capital stock shares-----	151,954	237,716
Interest on capital stock-----	32,000	29,883
Total-----	\$186,229	\$271,687

In 1950, a provision of \$13,700 was made for income taxes. In 1951, it was \$21,600.

The financial condition of C.C.W. on December 31, 1950 and 1951, is shown in the following statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$2,067,745	\$2,258,195
Fixed assets (net)-----	522,402	511,118
Other assets-----	<u>1,217,253</u>	<u>1,404,570</u>
Total-----	\$3,807,400	\$4,173,883
Liabilities and net worth:		
Current liabilities-----	\$734,226	\$1,013,742
Long-term notes-----	388,720	200,100
Net worth (capital and reserves)-----	<u>2,684,454</u>	<u>2,960,041</u>
Total-----	\$3,807,400	\$4,173,883

On December 31, 1951, the principal operating facilities owned and operated by the C.C.W. consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Land-----		\$33,280	\$33,280
Warehouse and office (buildings and equipment)-----	4	438,560	292,257
Bakery (building and equipment)-----	1	97,494	27,752
Coffee roasting plant (equipment)-----	1	16,670	3,732
Feed mill (building and equipment)-----	1	156,423	72,972
Garage and delivery equipment)-----	2	172,430	52,288
Oil plant building-----	1	6,510	2,679
Publishing building-----	1	23,505	10,681
Other-----	2	<u>18,230</u>	<u>15,477</u>
Total-----		\$963,102	\$511,118

In addition to these facilities, C.C.W. had \$1,366,696 invested in jointly-owned federations of regionals which operated various manufacturing facilities.

On December 31, 1951, C.C.W. had 222 employees. Of these, 113 were engaged in general and administrative activities, and 109 in manufacturing, warehousing, and processing operations.

ARKANSAS FARMERS ASSOCIATION

The Arkansas Farmers Association, formerly the Arkansas Farm Bureau Cooperative, with headquarters at Little Rock, Ark., was organized in 1945. The association, through 48 member local associations, 6 branches of local associations, 7 non-member service companies, and 325 Farm Bureau purchasing committees or dealer agents, serves approximately 55,000 farmers.

The value of supplies distributed at wholesale during 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$4,271,154	\$5,514,516
Seed-----	292,546	481,233
Fertilizer-----	1,942,300	2,137,407
Baby chicks-----	378,815	740,604
Farm supplies-----	343,961	571,111
Total-----	\$7,228,776	\$9,444,871

The distribution of net savings was reported as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Dividends on preferred stock-----	\$1,234	\$5,318
Educational fund (newspaper)-----	3,106	8,745
Patrons' certificates of equity-----	43,739	239,364
Amount retained in reserves-----	³⁸ 83,064	26,129
Total-----	\$131,143	\$279,556

The financial condition of the Arkansas Farmers Association on December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$412,363	\$465,923
Fixed assets (net)-----	103,899	173,169
Other assets-----	301,076	476,755
Investments-----	39,800	65,610
Total-----	\$857,138	\$1,181,457
Liabilities and net worth:		
Current liabilities-----	\$261,209	\$302,992
Other liabilities-----	37,684	90,755
Net worth (capital and reserves)-----	558,245	787,710
Total-----	\$857,138	\$1,181,457

³⁸Includes \$26,129 of undistributed net savings. Savings in the form of deferred patronage credit from other cooperatives also amounted to \$168,436 in 1950, and \$164,654 in 1951.

Facilities owned and operated at the close of 1951 included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse			
and office-----	1	\$58,429	\$56,527
Hatcheries-----	5	102,209	86,626
Auto and truck-----	9	16,339	10,610
Leasehold improvements-----		-0-	-0-
Furniture and fixtures-----		23,539	19,406
Office building-----		-0-	-0-
		<hr/>	<hr/>
Total-----		\$200,516	\$173,169

In addition, the Arkansas Farmers Association is the sole sales agent for the Arkansas Farmers Plant Food Company. This latter firm has a fertilizer plant costing approximately \$500,000 which is located in North Little Rock.

On December 31, 1951, the Arkansas Farmers Association had 50 employees, of whom 9 were classed as administrative, 14 as supervisory, 12 as clerical, and 15 as laborers.

CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1951, it was serving 425 associations with approximately 190,000 patrons, 97 percent of whom were farmers. The association operates in Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

The subsidiaries of Consumers Cooperatives Associated are the Consumers Cooperative Refinery Association which operates a refinery at Levelland, Tex., and the Cooperative Producing Association of New Mexico which engages in the production of crude oil in the vicinity of Cap Rock, N. Mex.

Supplies distributed at wholesale by the association and its subsidiaries during its last two fiscal years ended on October 31 were as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Light fuels-----	\$5,522,936	\$5,583,156
Lubricating oils-----	246,443	261,328
Anti-freeze-----	25,670	27,556
Grease-----	35,829	46,416
Tires and tubes-----	395,186	339,187
Batteries-----	49,982	60,728
Auto accessories-----	49,395	56,868
Appliances-----	119,716	129,738
Hardware and building supplies-----	315,712	335,800
Farm machinery-----	211,932	277,459
Feed-----)	326,878	477,118
Seed-----)		
Insecticides-----)	1,803,425	1,397,564
Fertilizer-----)		
Groceries and miscellaneous-----	12,755	11,188
Total-----	\$9,115,859	\$9,004,106

Grain marketed by the association totaled \$193,294 in 1950 and \$39,584 in 1951.

Net savings or loss of Consumers Cooperatives Associated and its subsidiaries for the fiscal years ending October 31, 1950 and 1951, were derived as follows:

<u>Source of net savings or loss</u>	<u>1950</u>	<u>1951</u>
Manufacturing and wholesale purchasing operations-----	-\$65,962	\$44,630
Marketing operations-----	-661	-175
Other operations-----	-42,588	-8,578
Total-----	-\$109,211	\$35,877

The total net loss on operations amounted to \$109,211 in 1950 and net savings were \$35,877 in 1951. These were distributed as follows:

<u>Distribution of net savings or loss</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	-	-
Retained in reserves-----	-\$109,211	\$35,877
Patronage refunds paid in capital stock and equities-----	-	-
Total-----	-\$109,211	\$35,877

The financial condition of Consumers Cooperatives Associated and its subsidiaries on October 31, 1950 and 1951, is shown by the following consolidated financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$2,482,242	\$2,466,831
Fixed assets (net)-----	1,427,074	1,567,535
Other assets-----	535,145	277,652
Total-----	\$4,444,461	\$4,312,018
Liabilities and net worth:		
Current liabilities-----	\$1,393,874	\$2,178,993
Other liabilities-----	950,720	24,352
Net worth-----	2,099,867	2,108,673
Total-----	\$4,444,461	\$4,312,018

On October 31, 1951, the principal operating facilities of the association and its subsidiaries were as follows:

<u>Type of facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Branch warehouse-----	4	\$118,172	-
Grain drying plant-----	1)		
Feed mill-----	1)	79,216	-
Petroleum refinery-----	1	1,129,034	\$701,130
Crude oil producing properties-----	1	1,213,722	455,931
Refined fuels terminal-----	1	38,500	-
Fertilizer plant-----	1	300,297	-
Transport-----	27	175,000	410,474
Other-----			
Total-----		\$3,053,941	\$1,567,535

Branch warehouses of the association are located at Dallas, Edroy, and Levelland, Tex.; and Little Rock, Ark. A grain-drying plant and a feed mill are operated in connection with the Edroy warehouse. The refined fuels terminal is at Dumas, Tex. The association's Red Star Fertilizer Plant is at Sulphur Springs, Tex. The association's subsidiaries have a refinery at Levelland, Tex., and crude oil properties near Cap Rock, N. Mex.

In addition, it had \$95,000 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

On October 31, 1951, the association and its subsidiaries had 107 employees. Of these 49 were engaged in general administrative activities; 58 in manufacturing, warehousing, and processing operations; and none in marketing farm products.

TENNESSEE FARMERS COOPERATIVE

The Tennessee Farmers Cooperative was organized September 27, 1945, with headquarters in Nashville, Tenn. At the end of the operating year, December 31, 1951, it was serving 86 county cooperatives in Tennessee, of whom 70 were members. These associations served about 100,000 patrons all of whom were farmers.

The value of supplies distributed at wholesale by the Tennessee Farmers Cooperative during the fiscal years ending December 31, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Fertilizer-----	\$2,389,801	\$3,118,850
Feed-----	1,438,681	2,317,135
Seed-----	871,624	1,234,647
Building supplies-----	491,819	411,098
Petroleum-----	207,762	211,884
Other-----	112,085	116,637
Total-----	\$5,511,772	\$7,410,251

The total net savings on all operations amounted to \$111,739 in 1950 and \$197,499 in 1951. Savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Interest on stock-----	\$10,819	\$18,395
Patronage refunds in cash-----	16,971	-
Reserves-----	83,949	179,104
Total-----	\$111,739	\$179,499

The financial condition of Tennessee Farmers Cooperative on December 31, 1950 and 1951, is shown in the following condensed financial statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$488,706	\$890,421
Fixed assets (net)-----	266,242	417,711
Other assets-----	113,920	184,490
Total-----	\$868,868	\$1,492,622
Liabilities and net worth:		
Current liabilities-----	\$405,734	\$650,064
Other liabilities-----	290	87,716
Net worth (capital and reserves)-----	462,844	754,842
Total-----	\$868,868	\$1,492,622

On December 31, 1951, the association reported that 56.8 percent of its net worth was represented by stock sales and the remaining 43.2 percent had been accumulated through retained allocated reserves.

The type and value of principal operating facilities owned by the Tennessee Farmers Cooperative on December 31, 1951, were as follows:

Type of facility	Number of plants or units	Cost value	Depre- ciated value
Fertilizer plant-----	3 ⁹ 1	\$243,766	\$227,426
Warehouse-----	2	43,517	41,476
Truck-----	2	Leased	-
Other-----		64,776	51,123
Total-----		\$352,059	\$320,025

As of December 31, 1951, Tennessee Farmers Cooperative had 73 employees -- 32 in the fertilizer plant and warehouses; 13 in field service and auditing; and 28 administrative and clerical.

FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Nebr., was organized in 1914. On September 30, 1951, it was serving 356 member associations with 66,000 patrons, of whom 98 percent were farmers. Through 22 private dealers it reached an additional 3,600 patrons, of whom 90 percent were farmers. The association also owned and operated 6 retail farm supply stores and 3 retail bulk petroleum plants which serve 2,100 patrons, 98 percent of whom were farmers. The Exchange operates only in Nebraska.

Supplies distributed at wholesale during fiscal years ended on September 30, 1950 and 1951, were as follows:

Commodity	1950	1951
Feed-----	\$131,502	\$111,174
Seed-----	78,367	62,206
Gas, oil, and grease-----	3,186,668	3,510,526
Tires, tubes, and other accessories-----	195,251	205,257
Farm machinery and hardware-----	734,670	1,010,831
Farm equipment and fencing-----	303,802	253,330
Paint-----	47,437	49,769
Twine-----	46,930	93,008
Coal-----	101,897	93,751
Groceries-----	304,885	303,493
Clothing-----	42,787	37,757
Roofing-----	98,823	92,014
Miscellaneous-----	4,196	5,966
Total-----	\$5,277,215	\$5,829,082

³⁹Plant No. 2 under construction with completed cost estimated at \$240,000 - (May 1, 1952 - completion date).

The Farmers Union State Exchange also had retail sales of \$1,488,892 in 1950 and \$1,434,191 in 1951.

Net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1950</u>	<u>1951</u>
Cash dividends on stock-----	\$21,807	\$22,196
Patronage refunds allocated-----	130,814	261,473
Amount credited to surplus reserve fund-----	16,957	31,518
Total-----	\$169,578	\$315,187

The financial condition of the Farmers Union State Exchange on September 30, 1950 and 1951, is shown in the following condensed statement:

	<u>1950</u>	<u>1951</u>
Assets:		
Current assets-----	\$1,511,387	\$1,518,902
Fixed assets (net)-----	351,138	319,530
Other assets-----	1,264,753	1,423,473
Total-----	\$3,127,278	\$3,261,905
Liabilities and net worth:		
Current liabilities-----	\$723,143	\$778,725
Other liabilities-----	477,725	319,258
Net worth (capital and reserves)-----	1,926,410	2,163,922
Total-----	\$3,127,278	\$3,261,905

On September 30, 1951, the principal operating facilities of the association were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Retail farm supply store-----	3	\$92,868	\$64,772
Bulk petroleum plant-----	2	7,612	1,744
Office building and warehouse-----	1	157,963	76,494
Lubricating oil compounding plant-----	1	180,000	123,667
Transport truck-----	5	57,598	23,953
General delivery truck-----	5	13,165	3,146
Locker plant-----	1	9,309	2,697
Truck garage-----	2	8,341	2
Total-----		\$526,856	\$296,475

In addition to these facilities, Farmers Union State Exchange had \$1,419,037 invested in jointly-owned federations of regionals which operated various manufacturing and wholesaling facilities.

At the close of 1951, the Exchange had 194 employees.

PART II

SUMMARY INFORMATION FOR 21 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1950 AND 1951

In this section the information for the individual associations is summarized to show the characteristics of operations. The age of associations, area of service, type of retail outlets, number of patrons served, number of employees, dollar volume of business, type of supplies handled, distribution of savings, and financial condition, are considered.

YEARS OF ORGANIZATION

The 21 regional cooperatives described in this report were organized in the following years:

<u>Year</u>	<u>Associations organized</u>
	<u>Number</u>
1907-----	1
1914-----	1
1917-----	2
1918-----	1
1920-----	1
1923-----	2
1926-----	1
1927-----	2
1929-----	2
1930-----	1
1931-----	1
1933-----	2
1934-----	2
1945-----	2

Only 6 of these associations were in existence by 1920. By 1930 there were 14. Five were established in the 1930's and 2 in 1945. In 1951, their average age was around 25 years.

AREA OF SERVICE

The 21 cooperatives as a group operate throughout the United States except for a large part of the South. Several regional purchasing associations serve the South and Southwest, but with the exception of Southern States Cooperative, Inc., which operates in Virginia as well as several nearby States, only four - Farmers Cooperative Exchange, Raleigh, N. C., Tennessee Farmers Cooperative, Nashville, Tenn., Arkansas Farmers Association, Little Rock, Ark., and the Consumers Cooperative Associated, Amarillo, Tex. - did a wholesale supply business in 1951 in excess of

\$5 million.⁴⁰ There are a number of other regional purchasing cooperatives operating in the area served by the 21 large regional purchasing cooperatives included in this report.

TYPE OF RETAIL OUTLET

The 21 major regional farm supply purchasing cooperatives distributed supplies through 8,705 retail outlets in 1950, and 8,835 in 1951. They are classified as follows:

Type of retail outlet	1950	1951
Local cooperative member associations-----	4,462	4,678
Local cooperative non-member associations-----	1,195	1,331
Affiliated cooperative service associations-----	789	793
Private service agencies-----	1,589	1,561
Farmer-representatives-----	670	472
Total-----	8,705	8,835

The local associations included in this classification are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "non-member associations" are served by the regional cooperatives. "Affiliated cooperative service associations" are associations or branch outlets that are under direct management of the regionals. "Private service agencies" are private concerns that perform a distributing service for the regional cooperatives in accordance with mutually agreeable policies. These plans include provisions for passing on to the farmers the patronage refunds distributed by the regionals. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regionals. The association reports in Part I give more detailed information on the character of local service outlets.

NUMBER OF PATRONS SERVED

During their fiscal year 1951, the 21 regional cooperatives served an estimated 2,961,345 farmer-patrons and 203,221 non-farmer patrons, or a total of 3,164,566 patrons.⁴¹ Thus 94 percent of the patrons were farmers, and 6 percent were not farmers.

NUMBER OF EMPLOYEES

The 21 regionals at the close of their 1951 fiscal year had 19,370 employees. Of these, an estimated 21 percent were engaged in general administration; 54 percent in manufacturing, processing, and wholesale distribution; and 25 percent in retail supply distribution and in agricultural marketing work.

⁴⁰The two next largest regional farm supply purchasing cooperatives in this area are the Mississippi Federated Cooperatives, Jackson, Miss., and the Southwest Cooperative Wholesale, Phoenix, Ariz. Both of these regionals also perform cooperative marketing service.

⁴¹On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.

DOLLAR VOLUME OF BUSINESS

The combined business of the 21 regional cooperatives, including the value of supplies distributed at wholesale and at retail plus the value of farm products marketed, amounted to \$1,125,885,465 for the fiscal year 1951. The comparable volume for 1950 was \$968,854,663.

Seventeen associations each handled a volume of \$10 million or more, and of these 11 each handled \$30 million or more. The combined business of the 11 largest cooperatives amounted to \$969 million. The importance of the Cooperative Grange League Federation, Inc., in volume handled, is shown in table 1.

TYPES OF SUPPLIES HANDLED

The relative importance of the various supplies handled at wholesale⁴² by each of the 21 regional cooperatives during the fiscal year ending in 1951 is shown in tables 2 and 3. Feed predominated in the dollar volume of 10 associations and petroleum products accounted for the largest part of the dollar volume of 8 other associations.

In terms of dollar volume, groceries were the most important commodity distributed by the Central Co-operative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company and fertilizer led in dollar volume for the Tennessee Farmers Cooperative.

Data in table 4 show the relative importance of the combined value of the various supplies distributed at wholesale by the 21 cooperatives during the fiscal years ending 1950 and 1951. The total dollar volume distributed at wholesale in 1951 showed an increase of 15.7 percent over that in 1950. Feed, petroleum products, and fertilizer made up 78 percent of this volume in 1951.

The value of feed distributed showed an increase of 17 percent over last year. Petroleum products increased 11 percent in dollar volume and fertilizer increased 18 percent. Coal was the only supply item that showed a decrease. The percentage increases for other items is shown in table 4.

⁴²Eastern States Farmers' Exchange, Inc., distributes supplies direct to individual patrons and performs both wholesale and retail functions.

Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 21 major regional farm supply purchasing cooperatives, fiscal years ending in 1950 and 1951

Association	Year ended	Supplies distributed at wholesale		Supplies distributed at retail		Farm products marketed		Total
		1950	1951	1950	1951	1950	1951	
Cooperative Grange League Federation Exchange, Inc. Ithaca, N. Y.-----	June 30	\$126,703,598	\$143,708,825	\$104,371,735	\$117,883,382	\$14,973,753	\$19,014,156	\$280,606,363
Southern States Cooperative, Inc. Richmond, Va.-----	June 30	*70,127,196	83,805,857	*32,466,388	38,052,082	4,918,242	6,328,705	128,186,644
Indiana Farm Bureau Cooperative Association, Inc. Indianapolis, Ind.-----	Dec. 31	42,386,879	49,479,607	-	-	60,126,191	72,152,064	121,631,671
Eastern States Farmers' Exchange, Inc. West Springfield, Mass. ^b -----	Dec. 31	79,961,827	94,997,364	-	-	-	79,961,827	94,997,364
Consumers Cooperative Association Kansas City, Mo.-----	Aug. 31	*62,210,583	74,752,576	-	-	-	*62,210,583	74,752,576
The Farm Bureau Cooperative Association, Inc. (Ohio) Columbus, Ohio-----	Dec. 31	*35,487,436	39,557,702	-	-	16,423,550	*51,910,986	59,387,974
Illinois Farm Supply Company Chicago, Ill.-----	Aug. 31	*46,734,292	52,445,652	-	-	-	*46,734,292	52,445,652
Washington Co-operative Farmers Association Seattle, Wash.-----	Dec. 31	22,020,343	27,476,572	-	-	14,989,000	19,177,516	46,654,088
Farmers Union Central Exchange St. Paul, Minn.-----	Dec. 31	38,773,985	43,921,349	-	-	-	38,773,985	43,921,349
Farmers Cooperative Exchange, Inc. Raleigh, N. C.-----	June 30	16,752,309	20,131,090	11,755,130	13,508,546	2,132,523	2,818,247	36,457,883
Midland Cooperative Wholesale Minneapolis, Minn.-----	Dec. 31	29,460,996	30,308,512	-	-	-	29,460,996	30,308,512
MFA Milling Company Springfield, Mo.-----	June 30	21,339,435	26,781,336	-	-	-	21,339,435	26,781,336
Pacific Supply Cooperative Walla Walla, Wash.-----	June 30	15,522,165	19,701,907	-	-	4,342,516	19,864,681	25,068,166
Pennsylvania Farm Bureau Cooperative Association Harrisburg, Pa.-----	Dec. 31	19,234,743	21,936,091	-	-	-	19,234,743	21,936,091
Fruit Growers Supply Company Los Angeles, Calif.-----	Dec. 31	17,999,183	19,698,931	-	-	-	17,999,183	19,698,931
Farm Bureau Services, Inc. Lansing, Mich.-----	Aug. 31	10,846,098	11,156,849	5,212,339	6,279,679	2,049,836	1,968,821	19,405,349
Central Cooperative Wholesale Superior, Wis.-----	Dec. 31	10,716,584	10,483,431	-	-	-	10,716,584	10,483,431
Arkansas Farmers Association Little Rock, Ark.-----	Dec. 31	7,228,776	9,444,871	-	-	-	7,228,776	9,444,871
Consumers Cooperatives Associated Amarillo, Texas-----	Oct. 31	9,115,859	9,004,106	-	-	193,294	39,584	9,043,690
Tennessee Farmers Cooperative Nashville, Tenn.-----	Dec. 31	5,511,772	7,410,251	-	-	-	5,511,772	7,410,251
Farmers Union State Exchange Omaha, Nebr.-----	Sept. 30	5,277,215	5,829,082	1,488,892	1,434,191	-	6,766,107	7,263,273
Total-----		\$693,411,274	\$802,031,961	\$155,294,484	\$177,157,880	\$120,148,905	\$968,854,663	\$1,125,885,465

^aRevised.

^bEastern States Farmers' Exchange, Inc., distributes supplies direct to individual patrons - performing both wholesale and retail functions.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 21 regional farm supply purchasing cooperatives, fiscal year ending in 1951

Association	Feed	Petroleum products	Fertilizer	Seed	Farm machinery and farm equipment	Lumber, paint, hardware, maintenance material	Crates, boxes, shipping and packing material	Steel products	Tires, tubes, auto accessories	Insecticides and sprays	Electrical equipment and appliances	Groceries	Twine	Coal	Miscellaneous	Total
Cooperative Grange League	92,793	11,945	13,029	5,676	2,729	2,877	1,232	3,800	2,372	2,861	2,244	-	1,686	-	628	*143,872
Federation Exchange, Inc.-----																
Eastern States Farmers' Exchange, Inc. ^b -----	81,370	-	5,510	3,630	-	3,254	-	-	-	1,233	-	-	-	-	-	94,997
Southern States Farmers Cooperative, Inc.-----	52,403	5,426	9,172	5,849	2,250	747	-	3,995	1,054	1,265	1,599	-	-	-	46	83,806
Consumers Cooperative Association-----	6,853	51,486	3,386	26	3,103	4,346	-	-	2,144	681	648	1,867	(e)	-	213	74,753
Illinois Farm Supply Company-----	12,699	25,285	6,319	-	570	859	-	841	1,041	309	-	-	132	-	4,391	52,446
Indiana Farm Bureau Cooperative Association, Inc.-----	9,412	19,595	6,525	1,484	3,742	2,659	-	2,196	292	468	844	-	115	824	1,324	49,480
Farmers Union Central Exchange, Inc.-----	2,402	27,866	1,198	619	3,942	2,190	-	-	3,129	360	601	-	472	-	1,142	43,921
The Farm Bureau Cooperative Association, Inc. (Ohio)-----	14,317	11,415	5,018	1,885	2,570	1,070	-	1,200	252	391	213	-	-	267	967	39,565
Midland Cooperative Wholesale-Farmers Cooperative Exchange, Inc.-----	2,973	18,459	1,867	1,222	1,470	733	-	510	1,459	27	796	280	-	291	222	30,309
Washington Co-operative Farmers Association-----	7,608	(g)	2,931	3,360	1,145	2,748	-	-	987	682	833	-	-	-	737	20,131
MFA Milling Company-----	19,780	5,067	623	411	-	-	-	-	-	-	-	-	-	-	1,596	27,477
Pennsylvania Farm Bureau Cooperative Association-----	8,975	5,934	1,975	1,049	1,467	197	-	688	274	392	408	-	288	-	289	21,936
Pacific Supply Cooperative-----	1,379	11,153	1,728	156	1,820	1,339	-	-	1,111	652	196	-	-	-	168	19,702
Fruit Growers Supply Company-----	-	-	1,991	-	-	-	16,549	-	-	646	-	-	-	-	513	19,699
Farm Bureau Services, Inc.-----	3,520	-	3,295	1,113	1,334	203	-	1,138	-	391	(h)	-	(h)	163	-	11,157
Central Cooperative Wholesale-Arkansas Farmers Association-----	2,594	1,539	(i)	(i)	297	583	-	148	286	39	367	3,826	76	80	648	10,483
Consumers Cooperatives Associated-----	5,515	-	2,137	481	-	-	-	-	-	-	-	-	-	-	1,312	9,445
Tennessee Farmers Cooperative-----	1,477	5,918	1,398	(j)	277	336	-	-	457	(k)	130	-	-	-	11	9,004
Farmers Union State Exchange-----	2,317	212	3,119	1,235	-	411	-	-	-	-	-	304	-	-	116	7,410
	111	3,510	-	62	1,264	142	-	-	205	-	-	-	93	94	44	5,829
Total-----	352,443	204,810	71,221	30,094	27,980	24,694	17,781	14,516	14,163	10,397	8,879	6,277	2,862	1,719	14,367	802,203

*Includes \$164 thousand intercompany transactions.

bEastern States Farmers' Exchange, Inc., distributes supplies direct to individual patrons - performing both wholesale and retail functions.

cIncludes some miscellaneous items.

dIncludes hardware.

eTwine included in farm machinery and farm equipment.

fIncludes \$7 thousand intercompany transactions.

gSome oil, included in tires, tubes, and auto accessories.

hTwine and electrical appliances included in farm machinery and farm equipment.

iSeeds and fertilizer included in feed.

jSeeds included in feed.

kInsecticides included in fertilizer.

lFencing and hardware included in farm machinery and farm equipment.

Table 3. - Percentage of total dollar volume represented by supply items distributed at wholesale by 21 major regional farm supply purchasing cooperatives, fiscal year ending in 1951

Association	Feed	Petroleum products	Fertilizer	Seed	Farm machinery and farm equipment	Lumber, paint, hardware, maintenance material	Crates, boxes, basket, packaging material	Steel products	Tires, tubes, auto accessories	Insecticides and sprays	Electrical equipment and appliances	Groceries	Twine	Coal	Miscellaneous	Total
Percent																
Cooperative Grange League																
Federation Exchange, Inc.-----	64.5	8.3	9.1	3.9	1.9	2.0	0.9	2.6	1.6	2.0	1.6	-	1.2	-	0.4	*100.0
Eastern States Farmers' Exchange, Inc. b-----	85.7	-	5.8	3.8	-	c 3.4	-	-	-	1.3	-	-	-	-	-	100.0
Southern States Farmers Cooperative, Inc.-----	62.5	6.5	10.9	7.0	2.7	0.9	-	d 4.8	1.2	1.5	1.9	-	-	-	0.1	100.0
Consumers Cooperative Association-----	9.2	68.9	4.5	(e)	f 4.1	5.8	-	-	2.9	0.9	0.9	2.5	(f)	-	0.3	100.0
Illinois Farm Supply Company-----	24.2	48.2	12.0	-	1.1	1.6	-	1.6	2.0	0.6	-	-	0.3	-	8.4	100.0
Indiana Farm Bureau Cooperative Association, Inc.-----	19.0	39.6	13.2	3.0	7.6	5.4	-	4.4	0.6	0.9	1.7	-	0.2	1.7	2.7	100.0
Farmers Union Central Exchange, Inc.-----	5.5	63.4	2.7	1.4	9.0	5.0	-	-	7.1	0.8	1.4	-	1.1	-	2.6	100.0
The Farm Bureau Cooperative Association, Inc. (Ohio)-----	36.2	28.9	12.7	4.8	6.5	2.7	-	3.0	0.6	1.0	0.5	-	-	0.7	2.4	*100.0
Midland Cooperative Wholesale-----	9.8	60.9	6.2	4.0	4.9	2.4	-	1.7	4.8	0.1	2.6	0.9	-	1.0	0.7	100.0
Farmers Cooperative Exchange, Inc.-----	37.8	(g)	14.6	16.7	5.7	13.6	-	-	90.4	3.4	4.1	-	-	-	3.7	100.0
Washington Co-operative Farmers Association-----	72.0	18.4	2.3	1.5	-	-	-	-	-	-	-	-	-	-	5.8	100.0
MFA Milling Company-----	93.1	-	-	6.9	-	-	-	-	-	-	-	-	-	-	-	100.0
Pennsylvania Farm Bureau Cooperative Association-----	40.9	27.1	9.0	4.8	6.7	0.9	-	3.1	1.2	1.8	1.9	-	1.3	-	1.3	100.0
Pacific Supply Cooperative-----	7.0	56.6	8.8	0.8	9.2	6.8	-	-	5.6	3.3	1.0	-	-	-	0.9	100.0
Fruit Growers Supply Company-----	-	-	10.1	-	-	-	84.0	-	-	3.3	-	-	-	-	2.6	100.0
Farm Bureau Services, Inc.-----	31.5	-	29.5	10.0	h 12.0	1.8	-	10.2	-	3.5	(h)	-	(h)	1.5	-	100.0
Central Cooperative Wholesale-----	i 24.7	14.7	(i)	(i)	2.8	5.6	-	1.4	2.7	0.4	3.5	36.5	0.7	0.8	6.2	100.0
Arkansas Farmers Association-----	58.4	-	22.6	5.1	-	-	-	-	-	-	-	-	-	-	13.9	100.0
Consumers Cooperatives Associated-----	j 5.3	65.7	k 15.5	(j)	3.1	3.7	-	-	5.1	(k)	1.5	-	-	-	0.1	100.0
Tennessee Farmers Association-----	31.3	2.9	42.1	16.7	-	5.5	-	-	-	-	-	-	-	-	1.5	100.0
Farmers Union State Exchange-----	1.9	60.2	-	1.1	l 21.7	12.4	-	-	3.5	-	-	5.2	1.6	1.6	0.8	100.0
Total-----	43.9	25.5	8.9	3.8	3.5	3.1	2.2	1.8	1.8	1.3	1.1	0.8	0.3	0.2	1.8	100.0

*Includes a very small amount of intercompany transactions.

b Eastern States Farmers' Exchange, Inc., distributes supplies direct to individual patrons - performing both wholesale and retail functions.

c Includes some miscellaneous items.

d Includes hardware.

e Less than one-tenth of one percent.

f Twine included in farm machinery and farm equipment.

g Some oil included in tires and tubes.

h Twine and electrical equipment included in farm machinery.

i Seed and fertilizer included in feed.

j Feed included in feed.

k Includes insecticides.

l Includes insecticides included in fertilizer.

m Fencing and hardware included in farm machinery.

Table 4. - *Dollar volume of supplies distributed at wholesale by 21 major regional farm supply purchasing cooperatives for fiscal years ending in 1950 and 1951*

Commodity	1950		1951		Increase or decrease
	Volume	Percentage of total	Volume	Percentage of total	
	<i>1,000 dollars</i>	<i>Percent</i>	<i>1,000 dollars</i>	<i>Percent</i>	
Feed-----	301,035	43.4	352,443	43.9	+17.1
Petroleum products-----	184,334	26.6	204,810	25.5	+11.1
Fertilizer-----	60,547	8.7	71,221	8.9	+17.6
Seed-----	28,125	4.1	30,094	3.8	+7.0
Farm machinery and farm equipment-----	21,814	3.1	27,980	3.5	+28.3
Lumber, paint, hardware, and maintenance material-----	19,365	2.8	24,694	3.1	+27.5
Crates, baskets, shook, and packaging material-----	16,071	2.3	17,781	2.2	+10.6
Steel products-----	12,476	1.8	14,516	1.8	+16.4
Tires, tubes, and auto accessories-----	12,151	1.8	14,163	1.8	+16.6
Insecticides and sprays-----	8,477	1.2	10,397	1.3	+22.6
Electrical equipment and appliances-----	7,199	1.0	8,879	1.1	+23.3
Groceries-----	6,242	0.9	6,277	0.8	+0.6
Twine-----	1,382	0.2	2,862	0.3	+107.1
Coal-----	2,641	0.4	1,719	0.2	-34.9
Miscellaneous-----	11,749	1.7	14,367	1.8	+22.3
Total-----	^a 693,608	100.0	^b 802,203	100.0	+15.7

^aIncludes \$197,000 intercompany transactions not reported by commodity.

^bIncludes \$171,000 intercompany transactions not reported by commodity.

DISTRIBUTION OF MARGINS

The total margins of the 21 associations amounted to \$32,445,458 in 1950 and \$47,174,465 in 1951. After setting aside \$1,623,711 in 1950 and \$3,117,268 in 1951 for the payment of Federal income taxes by associations, which reported such tax payments, the remaining margins of all associations amounted to \$30,821,747 in 1950 and \$44,057,197 in 1951 (table 5). Cash patronage refunds were 16 percent greater than in 1950 and patronage refunds in the form of capital stock, certificates of equity, or other equity holding, were 80 percent greater. Cash dividends on stock increased 5 percent. The amount retained in reserves was 46 percent higher than in 1950.

Table 5. - *Distribution of net margins of 21 major regional farm supply purchasing cooperatives for fiscal years ending in 1950 and 1951^a*

Distribution of net margins	1950	1951	Percentage increase
Cash patronage refunds-----	\$9,575,268	\$11,095,307	15.9
Deferred patronage refunds ^b -----	10,251,815	18,473,339	80.2
Cash dividends on stock-----	3,813,562	3,984,178	4.5
Amount retained in reserves-----	7,181,102	10,504,373	46.3
Total-----	\$30,821,747	\$44,057,197	42.9

^aAfter income taxes.

^bEvidenced by capital stock, certificates of equity, and other equity holdings.

FINANCIAL CONDITION

The financial condition of the 21 purchasing cooperatives at the close of their fiscal years ending in 1950 and 1951 is summarized in table 6.

Table 6. - *Consolidated financial statement of 21 major regional farm supply purchasing cooperatives at the close of their fiscal years ending in 1950 and 1951*

Item	1950		1951	
	Amount	Percentage of total	Amount	Percentage of total
Assets:				
Current assets-----	\$181,336,801	50.1	\$211,725,286	51.6
Fixed assets-----	118,815,578	32.9	131,584,835	32.0
Other assets-----	61,505,222	17.0	67,167,982	16.4
Total-----	\$361,657,601	100.0	\$410,478,103	100.0
Liabilities and members' equities:				
Current liabilities-----	\$77,449,029	21.4	\$90,836,968	22.1
Other liabilities-----	59,175,697	16.4	64,514,076	15.7
Members' equity (capital and reserves-----)	225,032,875	62.2	255,127,059	62.2
Total-----	\$361,657,601	100.0	\$410,478,103	100.0

APPENDIX

VALUE OF FARM SUPPLIES DISTRIBUTED BY FIVE MAJOR REGIONAL
MARKETING COOPERATIVES FOR FISCAL YEARS ENDING IN
1950 AND 1951

Five major regional marketing cooperatives which distribute large volumes of farm supplies are Land O'Lakes Creameries, MFA Grain and Feed Company, Poultry Producers of Central California, The Cotton Producers Association, and Utah Poultry and Farmers Cooperative. The MFA Grain and Feed Company and The Cotton Producers Association are of the federated type and distribute farm supplies at wholesale to local member associations. The others are centralized organizations that distribute direct to farmers through local branches.

LAND O'LAKES CREAMERIES, INC.

The value of feed, seed, and fertilizer distributed to its members by the Land O'Lakes Creameries, Inc. - headquarters in Minneapolis, Minn. - for the years ending December 31, 1950 and 1951, was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$5,205,600	\$6,053,829
Fertilizer-----	1,661,576	1,600,197
Seed-----	<u>1,001,473</u>	<u>947,269</u>
Total-----	\$7,868,649	\$8,601,295

Net savings on these operations amounted to \$231,098 in 1950 and \$550,291 in 1951.

MFA GRAIN AND FEED COMPANY

The MFA Grain and Feed Company has its headquarters at St. Joseph, Mo., where it operates a feed mill. It also has a soybean oil mill and grain elevator at Mexico, Mo. Supplies distributed by the Company during the fiscal years ending August 31, 1950 and 1951 were as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed and related items-----	\$4,261,963	\$5,709,340
Flour and millfeed-----	200,000	140,000
Seed-----	<u>8,142</u>	<u>10,151</u>
Total-----	\$4,470,105	\$5,859,491

Net savings on operations amounted to \$148,452 in 1950 and \$453,975 in 1951.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The Poultry Producers of Central California with headquarters in San Francisco, Calif., distributed feed, petroleum products, and other farm supplies during the fiscal years ending December 31, 1950 and 1951, as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$23,392,061	\$29,437,878
Gasoline and other petroleum products-----	1,707,065	1,775,674
Other farm supplies-----	1,584,147	1,859,336
Total-----	\$26,683,273	\$33,072,888

Net savings on supply operations were \$2,364,311 in 1950 and \$3,353,716 in 1951.

THE COTTON PRODUCERS ASSOCIATION

The Cotton Producers Association, headquarters in Atlanta, Ga., serves farmers in Georgia, practically all of Florida, and part of Alabama through member associations and dealer representatives. Fertilizer, feed, seed, and other farm supplies were distributed to its members during the fiscal years ending June 30, 1950 and 1951 as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$2,024,477	\$3,508,437
Fertilizer-----	2,233,050	2,724,149
Seed-----	1,023,601	1,228,533
Other farm supplies-----	806,290	1,154,002
Total-----	\$6,087,418	\$8,615,121

Net savings on supply operations amounted to \$324,880 in 1950 and \$777,669 in 1951.

UTAH POULTRY AND FARMERS COOPERATIVE

The value of feed and other farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, during the years ending December 31, 1950 and 1951 was as follows:

<u>Commodity</u>	<u>1950</u>	<u>1951</u>
Feed-----	\$5,692,464	\$6,887,508
Other farm supplies-----	2,015,841	1,606,100
Total-----	\$7,708,305	\$8,493,608

Net savings on supply operations were \$351,861 in 1950 and \$200,306 in 1951.

COMBINED DOLLAR VOLUME

The total dollar volume of farm supplies distributed by the five cooperative marketing associations amounted to \$52,817,750 in 1950 and \$64,642,403 in 1951 - an increase of 22 percent.

Feed was the principal supply item handled. In 1950, it represented 77 percent of the total dollar volume of all supplies distributed and in 1951, 80 percent. In 1950, the dollar volume was \$40,576,565 and in 1951, \$51,596,992 - an increase of 27 percent.

The dollar volume of all other farm supplies distributed increased from \$12,241,185 in 1950 to \$13,045,411 in 1951, or 7 percent.

